

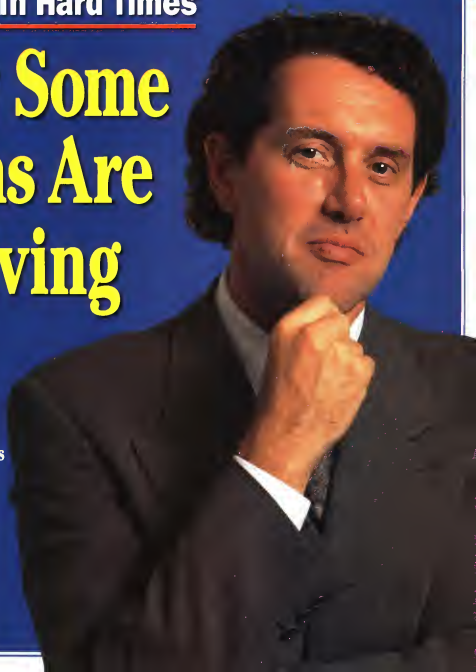
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TV PLANS A
COMEDY-FILLED
SEASON

Success In Hard Times

How Some Firms Are Thriving

Computer Graphics
Superstar
Stephen Bingham,
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Getting close to nature.
Nice to see that tradition back.



Seagram's V.O.
The value of tradition.

Maclean's

CANADA'S WEEKLY NEWSMAGAZINE AUGUST 12, 1991 VOL. 184 NO. 22

CONTENTS

2 EDITORIAL

4 LETTERS/PASSAGES

6 OPENING NOTES

Joe Clark may be eyeing *Edmonton*, new light illuminates Dan Radtke's hair: Robert Menzies sees a paper that he partly owns; three line up for the 5th estate; surgeons' disaster: Selling *Provençal's* popularity: aspects: some resident experts: controversy: more the "action of drama"; U.S. Customs: recent a publicity play.

9 COLUMN/FRED BRUNING

10 CANADA

The Cree and Inuit attempt to slow the flow of the Great White River project; Ottawa's decision to divert sovereignty in coastal waters: Placerville Bay: relies a historic meeting.

16 WORLD

The Soviet and Russian struggle to adapt to a diminished role; debt: damage: control: may have South Africa's new-law reform talks.

22 BUSINESS

Banking scandals: embarras: politicians.

24 BUSINESS WATCH/PETER C. NEWMAN

26 COVER

35 PEOPLE

36 CRIME

In Toronto the Good, violent crime is rising at an alarming rate.

38 HEALTH

The cash-starved Soviet health-care system is falling apart.

39 ADVENTURE

The Vikings lead in Newfoundland again, carrying historical claims and an environmental message.

40 TELEVISION

42 FILMS

Two actresses learn to love the little people.

43 BOOKS

An author suggests that terrorists have replaced novelists as shapers of contemporary thought.

44 FOTHERINGHAM

COVER

SUCCESS IN HARD TIMES

More Canadian companies are showing that they possess the knowledge and the resources to succeed in the crowded international market. Academics and business groups—setting that productivity in down and unemployment up—meant that both the Conservative government and the private sector must do more to improve the country's weakened competitive position.

— 26

WORLD

SUMMIT SYMMETRY

At a meeting in Moscow, U.S. President George Bush and Soviet President Mikhail Gorbachev signed a nuclear arms treaty that, for the first time, reduces their countries' warhead and missile arsenals to about of merely leveling them. They also agreed to sponsor a Middle East peace conference in October. — 16



TELEVISION

A LAUGH A MINUTE

The heavy nature of many fall offerings indicates that the big American networks have reached new levels of desperation in their attempts to recover viewers lost to cable and pay TV. Still, some things do not change. *Saturday Night Live* is a low-key comedy, a Step by Step. — 40



LETTERS

A MISSED CHANCE

As a single Canadian voter and the sole representative of a small business that operates in the Soviet Union, I was not, but not surprised, to see the 1-7 named leaders once again along the bull of "Beyond the Summit" Special Report, July 28/29. As a periodical in the Soviet Union's history, a "summiting" "yes" to supply economic aid to them would be the perfect way for Brian Mulroney to isolate the public opinion of his all-risk, no-reward policies. It would also show the Soviets that my government is committed to helping business grow across to their huge market.

Mark Daniels
Infiniti International Inc.
Toronto

GUILTY BY IMPLICATION

In "A scandal in waiting" (Business, Aug. 13), the article refers to information attributed to me to say that a separate drug-related investigation in 1986 involved people in Vancouver and then also "turned up connections to iCC Canada's Vancouver branch." What I tried to convey is that by the very nature of the service they provide, large international financial institutions are attractive to money launderers. But the fact that a financial institution is described as being associated with a money-laundering investigation proves absolutely nothing about the integrity of that particular organization. In most money-laundering cases, large financial institutions are simply unwitting pawns that are used for devious purposes. I know of no investigations that were conducted in Canada where iCC Canada was suspected of knowingly laundering criminal proceeds. To imply any thing else is misleading and absolutely not true.

Brian Shapiro
iBNC/Pan Maritime Trust
Ottawa

HITTING CLOSE TO HOME

Contributions to Charles Gordon for "We have won the enemy—4-2 is a tie" (Another View, July 22) is a cue for Canadians to realize their responsibilities: debts and penitence within the established political system—not via "citizenry," "I hate it all" style content—but through citizen commitment to knowledgeably use the channels of information and communication that exist.

Catherine R. Charbon
Past president, The Empire Club of Canada,
Toronto

We Canadians are busy and indifferent when it comes to speaking our mind about politics as you major issue. We read or hear of things



Mulroney: the need to say 'yes'

As a proud but frustrated Canadian, I can only agree with Charles Gordon when he states that we are our own worst enemy. It is a terrible shame that we live in such a wonderful country, yet consistently strive to find fault with it.

Derek Thompson,
Winnipeg

STEPPING ON ROYAL TOES

In having the magazines owned by Queen Elizabeth II ("The emperor strikes back" Opening Notes, July 28), such as a lack of a back to stand on at the bottom and an upside-down Queen Jack, are you suggesting that the Queen House has become very "British" again?

Ned Andrusik
Winnipeg

I thought the Queen was too gracious to resort to acts of petty revenge for constitutional slights to her person or country. And I was aware that she would spare any mistakes that might occur.

R.J. Stevens,
Calgary

Letter may be amended. Please supply new address and address telephone number. New letters to the Editor: Maclean's magazine, Maclean House, 727 Hwy. 30, Toronto, Ont. M6P 2A7 (416) 593-1330.

PASSAGES

DELAYED: By Prime Beach court Judge Mary Lago, the rape trial of William Kennedy Smith Smith, who has denied allegations that he raped a 29-year-old woman at the Kennedy family compound in Palm Beach, Fla., on March 20, was to have gone on trial this week. But Smith's attorneys asked the court for at least a 30-day delay after the prosecution made public the statements of three women who say that Smith tried to sexually attack them in the 1980s. In granting the request, Lago did not set a new trial date. And in the wake of the new accusations, a poll commissioned by the defence found that 44 per cent of Palm Beach County residents believe that Smith is either guilty or probably guilty.



FOUND DEAD: Kayla Khadran, a 31-year-old girl who disappeared on July 16 while playing in the backyard of her parents' west Toronto apartment, in Toronto harbor, by sailing workers, 23 days later and seven kilometers from her home. Police said that she had been sexually assaulted. Kayla's disappearance captured the city's attention because of police and women's rights activists years in the search for her. One anonymous official \$100,000 reward information on her whereabouts and posters with her picture were distributed in major cities.

ILL: Senator Charles Liberal Senator Brian Kilgus, 70, with leukemia, in a Regina hospital. Prime Minister Lester Pearson appointed Argue to the upper chamber in 1966. In 1989, Argue became the first Canadian senator ever to be charged with

criminal misuse of Senate funds. The charges were suspended last month because of his health.

DIED: Indochina war leader Jing-Gen, Christian de la Croix de Castille, 68, in France. In 1964, Vietnam guerrilla forces defeated de Castille's troops at Dien Bien Phu, marking the end of French colonial rule in Southeast Asia.

CHARGED: Former Hollywood glamour queen Betsy Lerner with shoplifting, in Casperbury, Pa. Police say that they found Lerner, 76, leaving a drugstore with \$40 in "personal care items." The Vancouver star created a sensation in 1953 when she appeared while in the Canadianization film *King of the Damned* and in 1954 film *King of the Damned*.

Maclean's

DAVID S. MEEHAN, MANAGING EDITOR

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A Notice from Maclean Hunter Limited

The Director of Investigation and Research (Consumer and Corporate Affairs Canada) has informed us that representations made by Maclean Hunter Limited in direct mail campaigns and published in Maclean's and Flare magazines during 1987 and 1988 promoting the sale of subscriptions have raised a question under sections 52(1)(a) and 52(1)(d) of the Competition Act.

Representations were made that may have led consumers to believe they were receiving an exclusive, urgent or time-limited offer. However, some of the offers were repeated or available elsewhere. Representations were also made comparing the subscription price being offered to a "basic rate" or "regular subscription rate" which, in 1987 and 1988, did not reflect the selling price of more than 50% of the subscribers sold.

Maclean Hunter Limited has corrected this alleged situation by deleting these representations from its promotions. The company will not describe an offer as exclusive or time-limited unless such a claim can be substantiated, and will only make reference to regular rates or similar terms if those rates are the selling prices of a majority of the magazine subscriptions.

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OPENING NOTES

Dan Rather gets top treatment, Joe Clark faces an uncertain future, and Velcro becomes a surgical tool

MUSICAL CHAIRS

Since 1979, the year he became prime minister, Joe Clark has represented the Alberta riding of Yellowhead. But the Reform party's shattering popularity throughout the West has political pundits in both Ottawa and Alberta speculating that Clark, now controversially effective minister, may switch to a safer riding for the next federal election. Political insiders have told *Maclean's* that the Conservative party's own polls show Clark trailing the Reform party in Yellowhead. In 1993, Clark carried the riding with less than half the popular vote—and Reform Leader Preston Manning won second. Ben West, a spokes-



Clark's success and dead dog

man for Manning, says that his party is confident that their candidate will win if Clark runs for the 99th time in Yellowhead. Said West: "We could run a dead dog in Yellowhead and it would win if it had a Reform party collar." Some sources say that Clark is eyeing the riding of Edmonton Southeast. They add that his long and diverse electoral constituency would likely support the former minister's minister. In fact, the Tories may well rethink regarding Edmonton Southeast for another run since the riding's L.D. David Kilgus, the member who left the Conservative fold last year to join the Liberals. His move has outraged many Tory supporters in Edmonton Southeast. Asked to comment, Donald Boyle, Clark's press secretary, would only say: "Matters are rumors. I fully expect that [Clark] will run in Yellowhead next time."

A CLOSE RACE TO THE FINISH

Open throat, the lot of candidates to replace Steve Cameron in his role of CBC TV's news show *The 5th Estate* has apparently grown to three. Until recently, network sources say, executive producer Kelly Gresham had narrowed her choice to two CBC insiders: former *Marketplace* co-host Nancy Kest and Dr. H. J. Haggis radio anchor. Truth Wood, that is, a new candidate has emerged: Nancy Wilson, a reporter for CBC TV's *The Journal*. At one time, Pamela Wells, who recently became the co-host of CBC's *Canada AM*, was in the running as well.

Cameron (skipped for TV



Kest: contender

was seen after only one session, Cameron, who for seven years was a political columnist for *Toronto's Globe and Mail*, herself admitted that she was ill-suited for TV. Executive producer Gresham was unavailable for comment about her replacement. But senior producer David Nyssen confirmed that Kest, Wood and Wells are all top contenders. Said Nyssen: "One of them will probably end up on the show." The show begins in three hours.

Estate sale

Retired graphic designer William Craig of Montreal is calling it the "auction of dreams." But several Québecers have already craved Craig's plan to sell off the personal belongings of renowned singer and poet Félix Leclerc, who died in 1988 at the age of 74.



Brancie's auction items

RUNNING IN CIRCLES

Canoeing/kayaking media expert Robert Maxwell is known for his litigious ways. Last month, he announced his latest target: the London-based newspaper *The Independent*. According to the *Maclean's* Daily Mirror in London, the publisher is suing *The Independent* for libel after it ran several articles about his company's financial problems. Although another Maxwell will contend, the newspaper will contend, the lowest paid Maxwell in the newspaper profession of suing a newspaper that is owned by a consortium of shareholders—including himself.



Maxwell's low ratings on a star's salary

ately for Rather, whose \$3-million salary has been reported to be as properly because of consistently low ratings, the new host has not helped ABC's *World News Tonight* continue to be the American newscast of choice. Her today, gone tomorrow

Only his stylist knows for sure

Speakers at CTV News are cautiously optimistic on the subject of a recently added credit to the evening newscast—for Dan Rather's hairstylist, Aunt Sam. Says Roy Bennett, a media spokesman for CTV News, inclined to give details about Sam's long. He also denied knowing whether Rather, who is clearly sporting darker hair, has it dyed. Bennett said that "lighting" may account for Rather's new look. Rather is the only major U.S. network news anchor who has his own credited stylist. A spokesman for ABC News said that Tom Brokaw has "a good head of hair. It just fits it all where it falls." And at ABC, a spokesman for Toronto-born news anchor Peter Jennings said: "He could be his own stylist." In Canada, CTV News anchor Peter Mansbridge does not have a personal stylist, nor does CTV's Lloyd Robertson. Unfortu-

ately for Rather, whose \$3-million salary has been reported to be as properly because of consistently low ratings, the new host has not helped ABC's *World News Tonight* continue to be the American newscast of choice. Her today, gone tomorrow

Peekaboo surgery

First needles, then staples. Now, medical science is adapting another household item for surgery—the self-stick fastener best known as Velcro. According to Dr. Deborah Wittmann, associate professor of surgery at the Medical College of Wisconsin in Milwaukee, a Velcro-like material works especially well during complicated abdominal surgery. It allows doctors to repeatedly open incisions for further treatment. There is just one hitch for the experimental technique: approval from the Food and Drug Administration, which Wittmann is currently seeking. What next?

NEW TROUBLE IN PARADISE

British author Peter Mayle's current best-selling travel book, *A Year in Provence*, and his sequel, *Summer in Provence*, have helped attract thousands of tourists to southwestern France. But westerners of the idyllic region, who include British writers and artists, are clearly unhappy about their hosts' new popularity. Said author Paul Helly: "The most exciting thing that used to happen here was watching the cherries grow. Now, we have become a kind of mess, with people turning up every day." But Mayle, who also lives in Provence, says that he respects the criticism. Declared Mayle about the increased tourism: "People are looking for nice places to spend their money. I'm not sure that's a bad thing."

A HOWLING SUCCESS

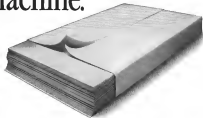
A new series of collected Accounts may give the fans of baseball's Kelly Gruber and Donna Matthews a new idea. The U.S. Congress. The new monthly issued trading cards featuring art by folkies and outdoors—their long-lived who's who. Kelly Gruber. The cards, which showcase 31 stars of the service's Green Beret Program, include an



action photo of each dog as well as such "wild statistics" as breed, age and most notable drug habit. U.S. Congress developed the cards after soldiers, who frequently demonstrate the dogs' abilities at American schools, requested a more permanent introduction for the dogs. The first set has been such a hit that a second back-to-back edition is expected to come out next month. A U.S. Congress.

strated that the trading cards are not intended as a commercial venture. The Price for a Real?

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AN AMERICAN VIEW



A lousy deal for women—and men

BY FRED BRUENING

Now, three more women say that William Kennedy Smith forced himself upon them—one alleged rape, two alleged attempts—and, in New York City, a line of college lacrosse players charged with sexually abusing a female classmate are acquitted despite solid prosecutive testimony. *Advertiser* says that date rape is among the most underreported felonies in the United States, and everyone knows that there are plenty of headlines that pretty boys and well-spring Caucasian who persist in thinking that women "went at it," whether the women in question have been asked their opinions or not.

No wonder *Thelma & Louise* became a cultural phenomenon. Weeks after release, this floppy little movie still ignites furious discussion—further evidence that meaningful debate around here is about as rare as a chimpanzee who can spell.

Trying to find substance in *Thelma & Louise* is like searching for proof of God in the New York Mets' laundry pile—hardly worth the effort. Sunny Bono claims that years ago he told Cher the faces of the four presidents in Mount Rushmore had been carved by the wind and that she believed him. Accordingly, all those who see significance in *Thelma & Louise* should consider Sunny accordingly. He'll let you to meet the guy who gets on their big bodies every morning to print the sky blue.

In the event that there remains a person in North America not acquainted with the saga of *Thelma & Louise* (Geena Davis and Louise (Susan Sarandon), here goes: *Thelma*, a repressed housewife, and *Louise*, a strong-limbed counter waitress, plan a weekend fishing trip. Sometime, they stop at a roadside where several out of sight cops stand drowsy and drink with *Thelma* and then turn to rape her in the parking lot. *Louise* arrives in time to terrify the cops with her pinkie. The women flee in their unseizable Ford, at movie's end, they reach the rim of the Grand Canyon. Since the

Trying to find substance in Thelma & Louise is like searching for proof of God in the New York Mets' laundry pile

film has earned no word-of-mouth buzz, you can guess what happens next.

Before the final freeze-frame, the two women have several excellent adventures. They pick up a sweet talking prostitute who attracts *Thelma* to *Louise's* car—and to the art of great laundry. They look up a cop on the track of his car, knock over a convenience store and celebrate a trader's cup after the driver, at a perfect imitation of film *Quayle* attempting to explode administration through plots, profits and personalities in these directions. And at all, *Thelma* and *Louise* assume themselves that like the song used to say, they are strong, they are invincible, they are *Women*. What a mess.

Start to finish, the movie is a fraud. Forget that all the time except a line directive are crude, stilted, tyrannical or insistent. It's tough making a case for the modern American male, anyway, now that so many are off buying drugs and consuming in sweat lodges or sympathy bars. Forget, too, that *Thelma* and *Louise* watch personalities so often that we're less sure identity at the moment of release. So long, *Thelmas*. Let's even over, they look like the initial premise of the movie—that *Thelma* and *Louise* would have left the parking lot after the killing—in a flash or that *Louise's*

assistance that the pair head to Mexico from Arkansas without going through Texas is enough to cause anyhomo one at the AAA trip-planning department. For a bonus, we'll let it slide that *Thelma* and *Louise* share the law for so long. Just the women, right?

But what really can't be ignored is that *Thelma* and *Louise* are not strong or invincible, after all, but foolish and vulnerable. Their choices are self-defeating, their attitudes straight out of the last male body movie you saw. They are victims of their own poor judgment and failure of vision. If that sounds pompous, think about how the movie ends. What is the moral victory? Remember it is *Thelma* and *Louise* sitting towards oblivion in that final moment. This one is left back on terra firma. Guess they showed you.

Theory: *Thelma & Louise* never was intended to achieve a specific gravity greater than pull panic. It cast women as hell-witted roles that otherwise would have gone to men, and, accordingly, husband reverts from coast to coast increased themselves something capital was in the world. Even the superb Janet Mullan of *The New York Times* found *Thelma & Louise* "transcendent in every way." Settle down, please. What we have here, at best, is a two-star summer flick that cannot bear the attention it is getting. Waiting for a better message in *Thelma & Louise* is like tracking literary themes in a episode of *The Simpsons*.

You want a couple of movies that really deal with women's issues, that raise important questions and set them through, that do not risk female characters of their brains, maturity or personality? Try *La Femme Nikita*, about a French druggie who gets drawn into the secret service as an assassin, or *The Study Girl*, the story of a young Swedish woman who reveals the secrets of her town's Nazi past. Both films have subtitles. Be brave.

As for *Thelma & Louise*, defenders say that the movie reached a climax and, regardless of flaws, must be hailed for its pioneering spirit. Trouble is, if we see significance where none exists, any debate that ensues likely will be irrelevant. *Thelma & Louise* provides no lesson but at volume, it is a good movie, even in lightest-hearted fashion—the nature of modern misanthropic relationships, or the bond between women. Still, these are catfish when *Sarandon* plays the girl outside the confessional, and, perhaps, that moment is more interesting than the movie can save. But the moment passes. Then what?

Here is the dilemma: At a man's group in New York recently, a fellow spoke enthusiastically about *Shogun*, a movie that concerns itself with the rescue of a herd of cows by Billy Crystal and other actors. It's tough finding a case for the modern American male, anyway, now that so many are off buying drugs and consuming in sweat lodges or sympathy bars. Forget, too, that *Thelma* and *Louise* watch personalities so often that we're less sure identity at the moment of release. So long, *Thelmas*. Let's even over, they look like the initial premise of the movie—that *Thelma* and *Louise* would have left the parking lot after the killing—in a flash or that *Louise's*

Fred Bruening is a writer with *Newsday* in New York.

CANADA

COLLIDING CULTURES

THE CLAIMS OF QUEBEC NATIVES CLASH WITH THE PROVINCE'S NEED TO DEVELOP ITS HYDRO POTENTIAL

In Cree legend, the estate of wild white water is called Hawk's Breaststone. It boils down through a gorge on the Great Whale River, not far from the point where the stream tumbles out of the highlands of northern Quebec into Hudson Bay. The estate derives from a Cree myth involving a toothy hawk that tried to sing longer and louder than the wise old river. The bird soon tired and fell exhausted into the gorge, where its breaststone can still be glimpsed as a bump of granite jutting out of the rushing waters. According to the local inhabitants, the story has been passed down by tribal elders for thousands of years. "It is one small illustration

of the bonds that tie us to this land," said Matthew Mokuah, a community liaison officer for the Grand Council for the Cree of Quebec in nearby Whapmaguan. "And nobody should be so in the right to take that from us, not even those damned engineers in their yellow hard hats." The engineers are employed by Hydro Quebec, and while the legends would likely survive the utility company's plans for Great Whale River, the waters surrounding Hawk's Breaststone would not. If the provincially owned utility completes its mammoth plan to harness the river's power, the nearby rapids will disappear.

The plan is part of a \$12.7-billion scheme to dam three rivers and flood an area of subarctic wilderness northwards the size of Prince Edward Island by 2006—and to generate 3,348 megawatts of hydroelectricity, enough to serve a city of 200,000 people. It would cut the flow of the Great Whale by 80 per cent, reducing flow at the Hawk's Breaststone to a trickle. The utility plans to take similar action affecting thousands of other sites around the region, all of which have special significance to the 18,500 Cree and 7,000 Inuit whose ancestors have lived hunted and fished there for 5,000 years. By altering the symbolic sites, claimed Mokuah, "Not only are they planning to destroy our hunting grounds and poison our fish, but they are also robbing us of the utopianism that have given vitality to our culture

and allowed us to survive as a people."

The view from upstream Quebec is sharply different. Premier Robert Bourassa, for one, is a passionate supporter of the development, which he views as critical to Quebec's economic growth. For their part, utility officials regard the proposed Great Whale project as a logical extension of the even larger 14,000-megawatt development on the La Grande River, 200 km to the south. Together, the projects form the

Mokuah: La Grande River (above) ties to the land



first two stages of a gigantic three-stage plan to capture the energy of nearly all of the eight major Quebec rivers that flow into Hudson or James Bay. Bold utility spokesman Léon Marché insists, as he leans against the turnabout head of one of the 26 working dynamos at the main generating station on the La Grande. "We have provided a source of power that is sustainable, renewable and far less damaging to the environment than any of the alternatives available today!" He added, "I think future generations of Quebecers are going to thank us for the job that has already been done and for the work that remains to be done."

Among the region's Cree and Inuit residents, however, the value of the work already done is a subject of fierce controversy. Many natives say that they have received inadequate compensation for the disruption of their traditional lifestyle. And both groups of natives are now challenging the utility's re-

clamation plan in forums ranging from a provincial environmental-audit committee to the United Nations Center for Human Rights. The UN agency issued a damning verdict last week on the effects of the first stage of Quebec's hydro development. As a result of the La Grande project, the agency said, "Cree and Inuit have reported dietary deficiencies, mental health, increased alcohol and drug abuse and a growing problem of family violence."

In fact, both Hydro Quebec and the Quebec government concede that their plans for Inuit they will cause problems—particularly for the region's Cree and Inuit residents. "Some there are negative impacts," acknowledged provincial Minister of Northern Development Christian Simard in response to last week's UN report. "Nobody is going to deny that."

But representatives of the province and its utility company maintain that they have made strenuous efforts to lessen the damage, both to the environment and to the natives. They note that the province has set aside 20,000 square miles of unspoiled land—in an area nearly the size of Rajasthan—for the use of the Cree and Inuit, as well as paying those groups \$500

National Notes

REPLACING A NOTORIOUS PRISON

Federal Solicitor General Douglas Lewis announced that Ottawa will spend \$50 million to build five new women's prisons across the country by 1994. The new institutions, replacing the 55-year-old, outdated Prison for Women in Kingston, Ont., will allow many inmates to serve their sentences closer to home. In addition to institutions near Halifax, Montreal, Toronto and other Calgary or Edmonton, a fifth prison at the Prison will serve only aboriginal women.

NOWHAT AT LAST

Seven months after leaving Canada to join an international fossil-museuming United Nations mission to quiet Iraq, the destroyer *Black Hawk* and from the Persian Gulf to its home port of Esplanade, B.C. The *Harvard* was the last of four Canadian ships that took part in the international action against Iraq to return to Canada.

MARCHING AGAINST RACISM

Over 1,000 people, including both blacks and whites, marched through Halifax to protest racism two weeks after a riot, allegedly sparked by a racist incident, rocked the city. Residents greeted the march with cheers and applause as it wound its way from the largely black Goffman Street area in the city's north end, through downtown and to a rally at St. Mary's University in the overwhelmingly white south end.

WASH IN HALUSH

Police arrested 25 people after 272 plastic barrels containing halush were dumped floating in the Gulf of St. Lawrence near Antigonish Island. Police said the barrels, containing an international fishing plot that must every year the barrels, containing 15 tons of halush, proved too heavy for the smugglers to tow ashore. Those arrested included 10 Americans, two Dutch citizens and the Filipino captain and crew of a Dutch-owned, Panamanian-registered tug.

A BOOK UNKHAMMED

Two Mokuah activists failed in their attempt to halt the sale of an American journalist Rick Hornig's book about Inuit culture. The Mokuah community (On July 23, the complainants, Ekka Gahnd and Denise Tolley, won a temporary injunction banning distribution of the book. One Nelson Under the Gun Inside the Mokuah Civil War But last week, Quebec Superior Court Judge Georges Rouleau rejected their claim that the book damaged their reputations, and removed the restrictions on it.

million in reduced employment contracts. Provincial authorities say that they have also solicited sources of programs to offset the employment displacement. But Richard Baxter, an environmental officer at a 3,364-employee generating station being built 37 km upstream from the mouth of the La Grande River "Millions have been spent on planting trees, restoring wildlife habitat, building dams and weirs and on a host of other programs designed to mitigate some of the worst effects."

But few of southwestern Quebec's natives say that they are reassured by these efforts. "We don't want this project—period," declared Sagna Flaming, mayor of Kuapisagamiq, a town primarily of Inuit in a collection of almost identical two-story wooden houses on the wasteland shores of Hudson Bay at the mouth of the Great Whale River.

The 500 Cree at Whapmagoua, a few hundred natives east on the other side of rolling sand dunes are even more adamant. In June, an angry crowd of Whapmagoua Cree blockaded a party of Hydro Quebec officials in the airport in Kuapisagamiq, the only access to either town. The officials, who had arrived to testify at last-spoken hearings into the project's environmental impact, left when neither group of local natives could guarantee their safety. "It was impossible to a storm," said Robbe Dick, chief of the Whapmagoua band, at the proposed hearing.

"We're more than ready to participate in a real assessment of this whole project because we think we can prove that the damage it will cause for our way-of-life benefits. But we are not going to take part in an act of direct force that the Quebec government wants."

Dick's skepticism about the province's environmental assessment of Hydro Quebec's plans is widely shared among the Cree and Inuit. Further, their doubts in the Quebec government's determination to split the province into two states, one covering construction of three planned generating stations, four reservoirs and 154 dams, and the other covering construction of 375 km of access road and three airports. Officials of the utility and government have insisted upon dealing with the two stakeholders separately in wider state-to-state approvals to begin work on the airports and access roads as early in the fall, a decision that they say is vital to completing the entire project on time.

There are compelling economic reasons for the haste. The time-lag, Hydro-Quebec says, is the energy demand in the province is increasing at an average rate of two per cent a year. If the Great Whale project is not on-stream by 2006, it guarantees the province could face an

energy shortage. A more immediate concern is the 62,806 jobs expected to be created by construction of the airports and roads alone. The project's anticipated impact accounts for a large proportion of the economic growth forecast for 1992 in a province that is already hard-pressed by recession.

But those arguments are unconvincing to the people who will be most directly affected by the next phase of the development. The replacement of natives living near the first stage of construction has only underscored their doubts. There are 3,700 Cree and 500 Inuit scattered across villages around the region. As a result of the development, most now enjoy benefits less available to other Quebecers in the south: electricity, running water, sewerage, health centres and schools, as well as a measure of self-government.



Construction on La Grande four reservoirs, three airports, 375 km of roads—and 62,000 jobs.

Remark the surface, however, the situation is more complex. Hydro Quebec's massive refurbishing of the La Grande River basin not only left ancient hunting grounds abandoned, it also began a process that released methylmercury from flooded ground, which contaminated many species of fish, the main source of protein in native diets. At the same time, the introduction of southwestern development had an impact that is reflected in spread smaller ways. The one thing there is a road-block at the entrance to Chisasibi, a tiny Cree town of 3,700 on the banks of the La Grande near the river's mouth. Unaffiliated Cree police search vendors' cars for contraband alcohol and drugs. Car rental agencies claim drivers staying overnight in the town to leave their vehicles at the police station because of a growing incidence of theft and vandalism. (Six men, while away the hours on wooden benches inside a crowded hall, stare vacantly at the passing crowd. Barely noticeable is increasing, as are suicides.) "It is true that our life is slowly ways much easier now," said Violet Pichette, the

electrical chief of the Chisasibi band council, "but we have also fallen prey to all of the social diseases of the south. We are no longer in control of our lives." Added Pichette: "We seem to have lost something that we once thought was very valuable."

For many residents of a region where life changed little over the millennia until the 1970s, the main problem is the swift pace of modernization that the James Bay development has forced them to adopt. And in Kuapisagamiq, Mayor Flaming for one wants to avoid similar difficulties among those at the second stage of hydro development. "We are just not yet ready to handle all of the things that will happen to us if this project goes ahead," he said. "Maybe there will be a time when we can, but I suspect that will not occur until there are local doctors and nurses and engineers who can

make sure that things are managed the way we want them to be managed."

In the meantime, the Cree and Inuit appear determined to distance the values that have helped to sustain them in their harsh environment over thousands of years. And control in these standards to prevent the Inuit's Dreamhouse. The Cree have hired anthropologists to map culturally important sites likely to be affected by the Great Whale development. So far, they have identified 3,000 locations, each of which plays a role in legends that Cree parents have been telling their children for generations. Cree elders, meanwhile, are collecting the legends as well—and recording them on tape. When complete, the project is likely to yield a record that is rich in both myth and history. It may also provide Quebec's southern, urbanites with a powerful emotional weapon in the battle to preserve their slowly beautiful land against the province's need to harness its rich resource potential.

BARRY CARNE is in Kuapisagamiq.



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Parting the waters

U.S. Coast Guard seizes Canadian vessels

It was the latest confrontation in an increasingly bitter dispute between two usually friendly neighbors. On July 29 the U.S. Coast Guard cutter Liberty pursued, boarded and seized a Canadian fishing vessel, the *Blue Jean*, in Dixon Entrance, the channel between the northern tip of British Columbia's Queen Charlotte Islands and the southern coast of the Alaska Peninsula. The cutter's crew claimed that the boat had been fishing for salmon illegally in American waters in a controversial zone along the international boundary known as the A-B line. The boat's owner, however, clearly re-

boundary between Canada and Alaska of 34 degrees, 43 minutes north latitude—a line that extends due west from the southernmost tip of the Alaska Peninsula, 40 miles north of Prince Rupert. The United States contends that the boundary should be moved 12 miles south. But that dispute is just one of several conflicting territorial claims that have forced Canada officials to try to assert sovereignty on the country's western, eastern and northern flanks. Among them, a long-standing disagreement with France over where to draw the boundary around that nation's North Atlantic

the A-B line, where up to 300 Canadian vessels fish daily from July to September. When other country's boats stray across the line they can be legally seized. But since B.C. fishermen claim that the number of U.S. vessels has recently risen as part of an American attempt to force Canada to respect the boundary near St. George's Bay. In 1981 the United States can authorize our fishermen into keeping out of these waters along the line, it would force Canada's choice. For this part, U.S. officials insist that the coast guard has no special instructions to shadow or harass Canadian fishermen, and that this year's hearings followed clear violations of U.S. boundaries.

Ultimately, the Dixon Entrance dispute may be resolved by the International Court of Justice in The Hague. The court set a precedent for that in 1984, when it ruled on a smaller dispute in the Gulf of Mexico. Its decision gave Canada exclusive jurisdiction of the fish-fishing grounds between Nova Scotia and Maine, but it also created a narrow area of friction among New England fishermen.

In a second case, a five-member international tribunal has begun hearings last week in New York City into the discredited dispute over the boundary surrounding St. Pierre and Miquelon. That conflict arose when Canada's expanded fishing zone encompassed the two islands France requested by declaring a 200-mile zone of its own around the tiny islands. The decision is expected to meet its deadline by year's end.

But arguing a claim based on international tribunal is expensive. And a losing decision allows no room for appeal. As a result, several countries that wish the United States—over competing claims in the Bering Sea off Yukon and Alaska—may be able to sue the courts only when oil and gas

recovery in the area becomes imminent. Until the Dixon Entrance dispute is resolved, fishermen who work the area will continue to encounter confusion over where the boundary lies. Prince Rupert skipper Dorey Carrey, for one, accuses American diversification of harvesting his livelihood. The U.S. Coast Guard seized Carrey's 36-foot fishing boat, the *Dave S*, last month. Although no charges had yet been laid against the crew, the boat was still anchored last week. Said Carrey: "They are out there intimidating Canadian fishermen and our government is doing a damn thing." But Carrey and area's other fishermen, an unlikely law across the water has become a hazard as real as any reef or storm.

DAVID BERGMAN with **ALAN QUINN** in Ottawa; **CLIFF ALLEN** in Ottawa and **WILLIAM LOWTHER** in Vancouver



Prince Rupert fishing fleet: "The United States is treating us like a banana republic"

turned on the Canadian side of the line. That led Ottawa to send a letter of protest to the U.S. State Department. When the Administration released the 45-foot vessel without laying charges against its crew members, Canadian authorities declared the case closed. But that they refused to acquiesce B.C. fishermen, who claim that they are the targets of increasing U.S. harassment. Declared Patrick Greene, head of the Prince Rupert, B.C., Fishermen's Co-operative Association: "It's bad enough that the United States is treating us like a banana republic, but it is even worse that Canada is acting like one." In fact, the incident marked the fifth time in less than a year that the coast guard had boarded or seized a Canadian vessel for allegedly fishing in American waters near the disputed boundary. Three confrontations have renewed a debate that dates from 1903, when an international arbitration panel found the

positions of St. Pierre and Miquelon, 12 miles off Newfoundland's south coast. Several of the disputes result from overlapping claims. In 1907, when both Canada and the United States each extended their exclusive offshore fishing zones from 12 to 200 miles. In the case of the A-B line, U.S. authorities have avoided a mutually agreed method of establishing maritime boundaries simply by drawing a line in the water halfway between the neighboring nations' respective fisheries. By that method of measurement, a new A-B line would give the United States access to harvesting fishing grounds that Canada claims as the Dixon Entrance. And Ottawa has stood by the 1960 boundary, ignoring all U.S. requests to negotiate the line.

The waters in dispute are prime fishing grounds for coho and pink salmon. The best catches are in the Canadian side, close to



Griffiths: the charter that Roosevelt and Churchill signed changed history

A meeting of giants

Ceremonies honor a historic wartime summit

At mid-morning on Aug. 8, 1941, David Griffiths glimpsed two large warships anchored in the grey bay in Placentia Bay, off the southwest coast of Newfoundland. Even though naval traffic was strictly controlled since then—the Second World War was in its 23rd month—the dramatic sight startled Griffiths and virtually everyone else in the isolated community of St. John's. Secretaries in the United States stood near where Griffiths stood in nearby Argentina told him that one of the ships, the cruiser USS *Augusta*, carried President Franklin Roosevelt. But they did not know why he was making that remote cruise to North America—or why a second vessel had anchored nearby. It was only later that Griffiths learned that it was the British battleship HMS *Prince of Wales* and that he had witnessed from a distance a meeting between Roosevelt and British Prime Minister Winston Churchill that would alter history. Recall Griffiths, now 70, and still living in the area. "The fact I knew about Churchill being here was when I read it in a paper after it was all over."

Next week, warships will again anchor in Placentia Bay, but as an open display of rare commemoration and celebration. They will be taking part in a three-day program of events marking the 50th anniversary of the wartime summit. Notable figures, including Roosevelt's granddaughter and Churchill's last surviving daughter, Lady Mary Soames, will travel to Newfoundland for the ceremonies. They will honor a meeting that was so significant in its

time as the superpower summit of recent years. In 1941, Britain and the United States were the world's democratic superpowers. And the joint declaration that followed the meeting marked a decisive turning point in the global conflict. The document, which became known as the Atlantic Charter, proclaimed the two leaders' commitment to fighting Nazism and laid out their vision of the new world order that would follow the war's end. The lasting importance of that achievement will be the focus of debate among historians who are also gathering in Argentina and St. John's this week.

In 1941, Hitler's armies had marched over most of Europe and invaded Russia. In the East, Japanese forces controlled most of China and were threatening the Pacific islands. Within four months, Tokyo would order the bombing of Pearl Harbor. For his part, Churchill was anxious to forge closer ties with the United States, which was still technically neutral in the war against Germany. But both Western leaders hoped that a statement of common goals would deter their enemies and bolster the spirits of their beleaguered allies.

The meeting took place primarily only for the longest. Large numbers of German U-boats prowled the North Atlantic. In the shortest of events, they agreed to rendezvous in Newfoundland, then under direct British rule. Rather than what Britain had transferred a parcel of land at Argentina to the United States for use as a naval base, in exchange for its

number of aging American destroyers. Despite the secrecy, these encounter had moments of pageantry. The day after the warships arrived, the British and several hundred sailors gathered for a church service on the foredeck of the *Prince of Wales*—Churchill's formidable battleship, sunk later that year by the Japanese—during which they sang hymns chosen by the British leader, including "O God, Save the Queen," "O God, Save the King," and "O God, Save the Empire." At the time, there was the opportunity at one point, the irrepressible Churchill, led by nearby St. John's Cathedral to go and to gather well-known.

Finally, on Aug. 16, 1941, they released their eight-point statement of "common principles" in the form of a joint press release. The charter affirmed the desire of Britain and the United States for all peoples to choose their form of government, to agree freely to territorial changes affecting their homelands and to live peacefully with their own neighbors. The document also called for freer trade, disarmament of aggressive nations and economic collaboration to improve living standards and achieve world peace.

The charter started the world's imagination. In the view of many historians, it fully paved the way for the implementation of the decision that founded the United Nations the following January. Some of them also credit the charter for the later establishment of the World Bank and the International Monetary Fund. Said William Foster Bennett, president of the New York City-based Franklin and Eleanor Roosevelt Institute: "The charter has had a profound effect on the postwar world."

Other historians, including Jack Greenstein of Toronto's York University, challenge that view. In a paper that he plans to present to other historians at an anniversary conference in St. John's to mark the anniversary of the Atlantic Charter, he argues that the meeting marked a step backward in Canada's international prominence. Until the summer of 1941, Greenstein declares, "We had been Britain's major ally and the closest friend of the United States. Now, all of a sudden we're a spare crescent on the back row."

But for Newfoundland, the charter's importance was undeniable. Notes David Percy-Crawford, a historian at Memorial University in St. John's and one of the conference's organizers, "The summit marked a new promise for Newfoundland as it moved into a larger role in the North Atlantic world."

On Aug. 15, Placentia Bay will relive the historic meeting. The visiting dignitaries will be St. John's and one of the conference's organizers, the United States destroyer *Malaga* and other officers. And later, the lyrics originally sung aboard the *Prince of Wales* in 1941 will ring out again at a church service on the Argente House—a fitting reversal to the hopes and fears that surrounded the meeting of the two most powerful leaders of the World War embattled democracies 50 years ago.

JAMES DUMONT with **PETER COLLAGE** in Argente

SUMMIT SYMMETRY

GORBACHEV AND BUSH SIGN AN ARMS TREATY THAT, FOR THE FIRST TIME, REDUCES THEIR MISSILE ARSENALS

There was the taste of new glasses in Moscow last week as former ideological enemies toasted each other at glittering state dinners. Mikhail Gorbachev and George Bush dined on watermelon soup and beef tenderloin, but the center of attention at the summit table was a nuclear arms treaty that, for the first time, cuts the missile arsenals of the old Cold War antagonists instead of just limiting their growth. True to form as a summit requires food with symbolism, the Soviet president accompanied the American President on a visit to the studio of sculptor Zsolt Tivelti, who used parts of missiles scrapped under a previous arms pact to create *St. George Destroying Dragons* and *in-20 Minutes*, an imposing work erected recently in front of the United Nations headquarters in New York City. The next day, the two leaders used pens made from melted-down fragments of other missiles to sign the Strategic Arms Reduction Treaty in St. Vladimir's Hall in the Kremlin. Still, although the signing of the START pact was the ceremonial focus of the two-day summit, it was not the centerpiece of the post-Cold War era of superpower relations. And Bush and Gorbachev devoted most of their time to the domestic upheavals that the new era has brought to the Soviet Union.

In their fourth summit meeting—"the first peak of the summit," as speakers for Gorbachev and Bush summed up calling the encounter—the two presidents were clearly eager to demonstrate that they could reach common ground beyond an arms treaty. And in the spirit of co-operation that linked Washington and Moscow during the Persian Gulf War, Bush and Gorbachev announced that they would sponsor a Middle East peace conference in October. That development was accompanied by the prompt dispatch of U.S. Secretary



Bush and Gorbachev after their agreement: soup, tenderloin and missile armaments

of State James Baker to Jerusalem, where he would secure a conditional promise from reluctant Israeli officials to attend (page 18). Meanwhile, Baker's counterpart, Soviet Foreign Minister Alexander Bessmertnykh, announced that he would make a separate trip to Israel soon to resume diplomatic relations, which Moscow broke off during the 1967 Arab-Israeli Six Day War.

That progress obscured the fact that the Moscow summit produced little in the way of superpower consensus on other regional conflicts. Bush and Gorbachev were publicly silent on the lingering wars in Afghanistan and Cambodia, and beyond exploring the violence they offered no solutions to the increasingly bloody

disputes of Yugoslavia. As well, despite their attention to the Soviet Union's economic problems, Bush largely maintained his policy of proceeding slowly on financial aid until there is more evidence of economic reform. He did, however, promise most-favored-nation trade status to Gorbachev, saying he would ask Congress to reduce tariffs on the small quantity of Soviet exports to the United States.

Still, Bush's summit recovery underscored the passage of an era when the Kremlin expects to maintain its own form of isolationism. In a lengthy meeting that ended at 3 a.m. on July 30, Yeltsin, Gorbachev and the president of the republic of Kazakhstan, Nursultan Nazarbayev, overcame the last major obstacle

ing separately with Boris Yeltsin, the president of the Russian republic, who quit the Communist party in July 1990. That agenda, and a volume needed in independent-minded Lithuania that left an eerie dead, provided Bush with a stark reminder of how complicated and volatile Soviet politics have become.

The first summit occurred when Yeltsin bluntly sparred a last-minute Gorbachev amendment to end some of the summit's discussions with Bush. According to Yeltsin, that practice dated to a time when Soviet leaders appeared

Under the agreement, the republics joined the exclusive right to levy taxes, with the Kremlin setting for a fixed, undisclosed percentage of the funds collected.

From that struggle, Bush had a private, largely ceremonial meeting with Yeltsin at the Russian leader's Kremlin office. The two men talked for 40 minutes and Yeltsin notes later confirmed that he had pressed Bush to endorse a more direct link with the Russian republic. But Bush demurred, stressing that although he wanted to have good relations with republican leaders he did not want to undermine Washington's relations with the Kremlin. In fact, in a pre-summit interview with Soviet journalists in Washington, Bush declared, "I do not want to suggest that we have a three-headed struggle, when I deal with Yeltsin on the same basis as I deal with Gorbachev."

Bush faced a similar delicate balancing act during his six-hour visit to Kiev last Thursday. There, he visited the Bala Tar—a memorial to the score of thousands of Ukrainians slaughtered by the Nazis during the Second World War. But independent leaders in Ukraine have criticized Bush for his open support of Gorbachev and have accused him of sparing their suffering under the Kremlin's domination. And during his trip to the republic's capital, his marathon pause several hundred automobiles changing "freedom for Ukraine." In an address to the republic's legislature, Bush said that he would improve relations with all of the republics. But he pointedly gave Gorbachev's reform program and warned that Washington would not support "unilateral nationalism based on ethnic hatred."

Regional tensions, however, is an increasingly powerful force in the Soviet Union. In fact, on July 29, the day before the summit began, Yeltsin signed a pact with Lithuania that recognizes their separate independence. On the following day, he endorsed Bush's call for the Kremlin to allow Lithuania and the other two Baltic states, Estonia and Latvia, to secede from the union. During the early-morning hours of July 30, unknown assailants attacked a customs post on the Lithuanian border—one of the visible symbols of Lithuania's independence drive. The attackers forced night guard Lithuanian customs guards and policemen to lie on the floor of the small truck, which served as a customs post. Then, they shot the arm and leg of a Lithuanian soldier and seriously wounding the two others.

In the Lithuanian capital of Vilnius, government representatives voiced their suspicions that Soviet militia was known as OMON, or Black Berets, were responsible for the most violent and deadly of the recent riots. A Soviet military crackdown last January. According to Lithuanian President Vytautas Landsbergis, the Soviet interior ministry had done nothing to prevent black beret riots from slugging more than 50 attacks on the republic's border posts during the past two months. But anyone making such a claim is also taking the risk of being under their jurisdiction were in their barracks when last week's attack occurred. Said one Soviet spokesman: "The attack was a dirty and

World Notes

THE FIFTH HOME

The Polish movement of Genoa Airport lifted a ban on the return of exiled former East July leader Mikolaj Marzec, but prosecutors are preparing charges of fraud. Bush and his cabinet agreed to the 62-year-old Marzec, and the government announced that the body of his husband, former president Jerzy Marzec, who died in 1983, would not be allowed into the country for burial. The government has accused the businessman of other associations of some \$1 billion from the national economy before a popular revolt in 1989 drove them into exile in Sweden.

THOMAS UNDER ATTACK

The leaders of an industrial credit-rights group and a major labor union announced their opposition to block U.S. Supreme Court nominee Clarence Thomas, 43, the grandson of impoverished Georgia sharecropper. The National Association for the Advancement of Colored People and the AFL-CIO, the nation's largest trade union association, denounced Thomas's conservative ideology. The Senate judiciary committee is scheduled to hold confirmation hearings next month.

A CONSPIRACY PLEADS GUILTY

Chilean-American businessman Vergilio Barrios pleaded guilty in conspiracy to murder in the 1970s or bombing in Washington of Orlando Letelier, a former cabinet member in the Marxist government of Chilean President Salvador Allende. Barrios, who spent 15 years in a Chilean prison before his arrest in Florida last April, is scheduled to be sentenced on Sept. 5. Letelier was an outspoken critic of the military junta that overthrew Allende in a 1973 coup.

BATTILING REPUBLICS

Yugoslav troops and Serbian gendarmes closed the Croatica village of Dub after killing about 80 Croatian police officers in the republic's bloodiest clash. Meanwhile, Azerbaijan's military officials said they had captured last month, when Armenia's Soviet army took up arms to oppose the republic's independence drive, has become a battle for territory. The diplomats said that Serbia, the largest of Yugoslavia's six republics, is working to fill its role of creating a greater Serbia.

WOMEN AND WAR

In Washington, senators voted 69 to 30 to repeal a U.S. law prohibiting women from fighting combat missions, citing female pilots' performance and the Pentagon's plan. The House of Representatives had earlier approved a similar bill.

biopsy (argue of Khrushchev not interested in the improvement of Soviet-American relations."

In any event, the shadow incidents failed to drive a wedge between Gorbachev and Bush. Bush had condemned the attack, and Gorbachev ordered an investigation of the incident in a comment directed at domestic foes who

still worry about the possibility of nuclear war. Bush's remarks were not intended to deny the existence of the threat. But the fact that the two leaders took part in the solemn signing ceremony to mark an agreement to reduce their weapons of mass destruction. The treaty, 1986 agreement, requires the Soviet Union to reduce its strategic nuclear weapons to about 7,000 warheads from 13,000, a 30-percent cut. The U.S. military must cut about 25 percent of its nuclear arsenal. The agreement's verification system, which is capable of verifying almost 8,000 warheads. The treaty also imposes deep cuts on each Soviet weapons in land-based intermediate ballistic missiles that are capable of reaching U.S. targets in about 35 minutes. And the pact includes such safeguards as surprise inspections.



Gorbachev and Reagan agree on a Middle East conference

truly will allow U.S. and Soviet forces to continue making new and improved advances, bombers, cruise missiles and other delivery systems that are capable of carrying increasingly accurate nuclear warheads.

Many Soviet analysts have remarked on the fiscal savings inherent in the treaty agreement. Soviet citizens are familiar with the consequences of a reduction in policy to fund a disproportionate share of the nation's fiscal resources to the huge military-industrial

establishment: cosmonauts routinely travel to the space station Mir in capsules propelled by military rockets, but workers have to wait an average of 10 years to purchase a car.

Still, Soviet citizens voiced only modest expectations that a shift in the arms race, or last week's summit meeting, would lead to massive

Western economic aid. Even Gorbachev seemed attached with having simply ended Bush more closely to the Soviet Union's quest for transition to a market system. And although the Soviet news agency Novosti welcomed Bush's promise to seek revival of U.S. trade in civilian and other Soviet imports, it added: "The United States has granted most favored-nation status to more than 180 countries and far from all of them extended to economic privileges right away."

For Bush, the dominant partner in the evolving relationship between the two countries, the summit received a careful balancing of the real demands of Kremlin and republican leaders. But Gorbachev and Yeltsin did deliver one strikingly similar message to their American guest: after spending 74 years as a divided struggle to build a socialist paradise, the Soviet Union now needs help to transform itself. Working under the country's collapse into the ruins of the old system, they added, will only make that reconstruction more expensive and painful—for Soviet citizens and outsiders alike.

MALCOLM GRAY in Moscow

THE SOVIET UNION

Warm ties, cold soldiers

Bleak conditions await the retreating army

Shortly before President George Bush and Soviet leader Mikhail Gorbachev signed their historic nuclear-arms-control treaty in Moscow last week, Boris Yeltsin also was considering the implications of the end of the Cold War. It is very close to home. Six months ago, he and his family

were in the room's top heating unit would be inadequate in winter. Still, Yeltsin "My husband is now a nurse and he has served in the army for 25 years. He deserves better living conditions than this."

Most of the sp's officers occupy equally cramped and inadequate housing—a result of

Communist conservatives have expressed bitter opposition to the speed of that withdrawal strategy, fearing that the so-called loss of Eastern Europe might prompt hard liners in the party and the military to upper echelons to overthrow Gorbachev. But many Soviet analysts and mid-level officers discount that possibility. They argue that any would-be coup leaders would be reluctant to risk having to take subsequent responsibility for the country's chaotic economy.

At a time when the threat of external attack has diminished, the Soviet armed forces—the world's largest military machine, with four million men—were striving to adapt to post-Cold War conditions and the profound changes that are now sweeping across-state Soviet society. As the economically troubled



Soldiers on parade during revolutionary ceremonies, a tarnished reputation in the eyes of many Soviet citizens

TALKING ABOUT TALKING

The meeting was short, but the result was far-reaching. Israeli Prime Minister Yitzhak Rabin emerged from his meeting with Bush in Jerusalem last week to announce that Israel will attend a U.S.-Soviet-sponsored Middle East peace conference. Bush declared that he "will recommend to be asked to approve the proposal." He is not expected to have any personal discussions with Rabin. But the U.S. envoy was unable to obtain agreement on suitable representatives for the 17-nation Palestin-

ian living in the Israeli-occupied West Bank and Gaza Strip. "As yet, with confidence in his bid to find a deal," said Moshe Katsav, a Palestinian who has met with Rabin on five previous peace missions to the region since February. "The Palestinians must choose their own delegates to this."

The Palestinians want their delegation to include members of the PLO, the Liberation Organization and members of the PLO, Jerusalem, formerly Arab-controlled territory that Israel annexed after the 1947 UN San Day War. But Shimon Peres has declared both groups unacceptable. Peres himself has called a terrorist organization, and Palestinians from East Jerusalem because their inclusion at the conference could weaken Rabin's claim to the whole city. In talks with Rabin last week, Arafat and other Palestinian leaders refused to compromise on the issue of occupation. The U.S. envoy then went to Jordan for talks with King Hussein, who has offered to lead a delegation representing Palestinians to the conference. Following the meeting, Rabin told a news confer-

ence: "Palestinians have come to give face to a viable and active peace process. This is not a small step. It is positively added that they also have the most to lose if there is no peace."

Although Shimon's 21-member cabinet cabinet was expected to approve his recommendation to attend the conference, Yitzhak Rabin, Minister Ariel Sharon and Yitzhak Rabin have been asked to appear. "I thought we were speaking of a conference that would bring peace, I would support it," and Sharon. "No my regret is a conference that will lead to war." He added: "When they [Israelis] will bring us a proposal that is not to say that we will refuse to accept it, they will accuse us of sabotaging the very conference we have just accepted." Although Rabin took a paid day off, he will lead the road to a permanent peace seemed very long indeed.

ANDREW HILGSI in Jerusalem

occupied a comfortable two-room apartment in the former East German town of Magdeburg. His German reunification, and the resulting banishment of Soviet troops, drastically affected her life. The army relocated 35-year-old Pavlov, her career-oriented husband, who asked that his name not be used, and their six-year-old daughter, Lusia, to an anti-aircraft base near Miro Forenski, about 100 km south-west of the Soviet capital. There, on the newly kept grounds of Military Unit 3, the family again has a two-room apartment. But it is makeshift accommodation in a five-story building that once served as a school. As he sits in the narrow living room, where stains from a leaky roof marked the walls, Pavlov expressed

the Soviet army's hasty and ill-planned withdrawal from East Germany and other former Warsaw Pact countries during the past two years. More than 30,000 officers and their families have already returned to the Soviet Union from Czechoslovakia and Hungary. And Soviet forces still stationed in Germany reduce their strength during the next two years, another 77,000 families are scheduled to return to a home and to a hard-pressed to accommodate them. Despite a German government pledge of \$5.5 billion to subsidize a Soviet construction program for returning soldiers and their families, only 4,000 new residential units have been built so far, about 11 percent of the number planned by 1994.

Kremlin began a reduction that will shrink the military to about three million personnel during the next 10 years, many officers frankly acknowledge their concern that they might soon be involved in a tightening job market with only military skills to offer. Still, many mid-level officers mention that the Soviet Union should quickly move to stabilize, better-trained and equipped volunteer forces. After a recent edition of the Moscow-based liberal daily newspaper Nezavisimaya Gazeta (the Independent Gazette), "It seems that the huge, beleaguering Soviet army compresses military modernity with the mobile and efficient professional armies of the West."

But even as the Soviet military tries to

rink, says senior generals not expiring soon over the manpower shortages caused by draft-dodgers and deserters who are unwilling to serve the very year they are in danger of losing their citizenship for 10 years of military arrest. According to figures that Defense Minister Dmitry Yevseyev released at a Moscow conference of military officers late last year, about 55,000 men entered the draft in 1990, and another 50,000 were drafted after their selection. As a result, Yevseyev complained that draft evasion, coupled with exemptions for students in universities and technical institutes, has left the Soviet armed forces with an annual shortfall of about 400,000 personnel in recent years.

The Kremlin cites security reasons for not

discussing the total number of youth drafted each year. But military spokesmen readily acknowledge that the 1991 spring draft fell short by at least 50 per cent, with particularly low turnout in the so-called rebellious republics where independence drives have strong support. Indeed, less than 10 per cent of potential Georgian conscripts answered the most recent call-up. Many draft-age men in Georgia, Armenia, Moldova, Estonia, Latvia and Lithuania chose to work at abroad in hospital orders or in other forms of community service that their republican governments consider substitutes for military service.

In Russia itself, the largest and most popular of the 15 Soviet republics, and as a result, the prime source of military manpower, the army's enlistment is inadequate.

And ethnic disputes have led to an increase in the draft. Indeed, some prominent Soviet generals acknowledge that the army's presence in such danger zones as the border area between the fringing republics of Armenia and Azerbaijan has tarnished the reputation of the services in the eyes of many Soviet citizens. Said Gen. Albert Makolov, a staunch Caucasian who was a candidate for the Russian presidency in June: "The use of the army for the settlement of national conflicts is an employment against the Soviet army fulfilling the tasks of an oppressor." But in a recent interview with the conservative publication *Sovetskoye Pismo*, Makolov added: "How can I, a general, and all of us in the military, watch what is going on here and do nothing?"

Many Soviet army veterans say that assignment to a so-called hot spot is only one of the hazardous duties they encounter. They must also, at times, be aware of the possibility of a safety scandal, inadequate medical care and desertion, the often-lethal injuries that anti-aircraft weapons inflict on young recruits. Certainly, hazing has endured within Russian

barracks since Soviet times as a rite of passage. Recently, however, some related acts of physical harassment at the barracks cell of more senior conscripts. Young soldiers are required to write letters, run errands and perform other menial tasks for their superiors. But they are also the victims of extortion, and sometimes brutal beatings.

These hazing rituals have the roots linked to the Soviet Union's high military statistics in peacetime. Yevseyev has acknowledged that more than 3,000 soldiers died last year alone, 20 per cent of themselves. And the numbers may be even higher according to some critics, among them mothers of soldiers who have died in service, the military sometimes deliberately hides numbers by claiming that accident or

party membership in its ranks, the Soviet military is the Communist party's largest single bastion of support. But although 75 per cent of Soviet officers remain Communist, thousands of officers have turned in their membership cards in recent years. Many soldiers who left troops that the forces' loyalty should be to the state and not to any single political institution. Indeed, Russia's last presidential election in June also defied the enduring split between the Soviet Union's 3,000 soldiers and generals, almost all of them unwavering party members, and the officers and men whose duty command. Said Lt. Col. Viktor Kolosov, the 34-year-old political officer for Military Unit 5: "The generals wanted Russians to support former Soviet premier Nikita Khrushchev, but 68 per cent of



Soviet warlike conscripts as trainees, striving to adapt to the post-Gold War conditions

them had copied the deaths. Members of Stalini [Stalin's] successor generation, at a meeting concerning military reform, mention that the Soviet military's peacetime casualty rate is closer to 4,000 fatalities each year. And Stalini's successor claimed that hazing is increasingly directed against non-Soviet conscripts or recruits from secessionist-rebelled republics.

At Military Unit 5, soldiers openly discussed such sensitive subjects as the likelihood of an army revolt against Gorbachev. Said one private, who acknowledged that he had returned reluctantly to the Soviet Union from duty in Budapest: "The army belongs to the Soviet president and it is not up to the generals to decide if he should go on. Or the more relevant question of what he would do if his own military commanders ordered him to help topple a coup, the life-or-death soldier is asked." "The army is not a socialist, it is not different from the people, and the question of a president going or staying is now to be decided by the people."

To be sure, with approximately one million

the soldier vote for Boris Yeltsin, the current leader.

In some ways, Kolosov, a 13-year veteran, embodies some of the profound changes that are now shaking the Soviet military. Kolosov, his wife Laina and their nine-year-old daughter, Olga, are enjoying the quiet life in their new home in a small town in the Caucasus. They are leaving a well-regarded position in following in the boot steps of Josef Stalin and Nikita Khrushchev—commanders who strive to rebuild the empire between the party and the military. But Kolosov said that he now finds comfortable engaging soldiers in discussions that range far beyond Marxist-Leninist dogma to such contemporary topics as the pending changeover to a market economy. In fact, he said that he is ready to open a new center where he can complete the minimum 30-day service for military pension in 1994. Asked what an accepted degree in Rostov, Kolosov said that he hopes to return to Rostov—a hometown.

MALCOLM GRAY in New Moscow

SOUTH AFRICA

The shadow of scandal

De Klerk disciplines two of his ministers

It was a long time in coming, but South African President F. W. de Klerk's response to the shimmering darkness of scandal was decisive. Only days after dramatic revelations that police had secretly funded the Biko-based Inkatha Freedom Party, the arrival of the African National Congress, de Klerk demanded the two cabinet ministers most closely linked to the scandal.

Responding to ANC charges that the secret funding had undermined his own minority government's credibility in the eyes of the country's black majority, de Klerk told a televised news conference last week that Law and Order Minister Adrian Vlok and Defense Minister Magnus Malan had become "stumbling blocks" to black-white constitutional negotiations. Western observers called de Klerk's action a deft exercise in damage control. "The government has been 'cherry-picked'," said one senior Canadian diplomat in Pretoria. But he added: "The government is in a whole lot less trouble than it was a few days ago."

Certainly, de Klerk has suffered a political setback. And he still faces obstacles in bringing the ANC back to negotiations, suspended in May, to work out a new national constitution. The ANC's refusal to accept a compromise set out in a statement last week that the president had to do more than denounce Vlok and Malan—two whites who will remain in the cabinet holding the relatively minor portfolios of prisons and the environment, respectively. Indeed, the statement said: "This is a serious underestimation of the depth of anger among our people to watch these two ministers." The ANC also urged the government to resign to make way for a multiparty interim administration. ANC President Nelson Mandela, who was sworn in last in America last week, went even further. Declared Mandela: "The only way to a successful democracy in South Africa is that of an interim government. If de Klerk's ANC regime is not prepared to accept this demand, they must leave there on so no further discussion between them and ourselves." However, de Klerk insisted at his earlier news conference that he would not bow to a "temporary regime." He added that, if negotiations resume, he would be willing to consider some unspecified "transitional arrangements."

It was still possible that the government and

the ANC would work out some compromise. Despite their stark public statements, some ANC leaders privately expressed delight that the scandal had forced out the very two hard-liners whose intransigence they have been demanding as a condition for reversing apartheid activities. And although Mandela has publicly criticized de Klerk, he did not cut short his Latin Amer-



Police making an arrest: a chastened government

can now deal with the issue. Some observers said that de Klerk's decision to denounce his two controversial ministers may even have given the ANC leadership a free-will resignation, allowing it to reunite talks with the government despite opposition from its own radical members.

Still, much will depend on whether the South African president can convince black leaders that current operations, including the nearly \$700,000 that police paid to Inkatha last as added troops when over the past four years,

would cease. De Klerk last week pledged to suspend all such secret funding projects and to establish a presidential commission to investigate the security forces that police not only funded Inkatha, but also trained Inkatha militants and fought in battles between members of that organization and the ANC. Such statements have claimed 40,000 lives in the past few years. Last week, amid speculation of further revelations concerning police in the fighting, de Klerk attempted to set himself apart from security-force activities. He said that the government had no policy of taking sides in the ANC-Inkatha

violence. But he conceded that "such violence as there can, without the government's approval or support" may have been avoided. Government officials expressed optimism that, despite the so-called Inkatha massacre, an all-party conference to discuss the constitution, including representatives of the government, the ANC, Inkatha and other black organizations, would convene soon. One official who spoke in avoidance of any mention, and that it would be "a matter of a few weeks before the first meeting on the all-party conference on multi-raciality is really the next move for everyone, and all the major players take it." He conceded, however, that the scandal has enhanced the ANC's position going into the talks. "I don't think we have observed but the current high ground," he said, "but the new low ground we will probably have to give more than we wished on the interim government demands."

The group that appears to have lost the most from the scandal in Inkatha is its president, Chief Mangosuthu Buthe. The ANC had long accused Buthe of taking government money and collaborating with the white-minority regime—allegations that Buthe has recently denied. But Buthe's personal assistant claimed sole responsibility for accepting the police funds, and the chief himself denied any knowledge of the money, the organization's credibility has clearly suffered. Said the Canadian diplomat: "For Buthe and Inkatha, this has been a disaster."

Certainly, with more than one million members, Inkatha will continue to play a role in black politics. But when, if at all, the all-party conference convenes, both Buthe and de Klerk will have to decide whether to brood their influence—and perhaps Mandela's ANC to the head of the upstart table.

MARY MEYER and CHRIS KRASINSKI in Cape Town



Kerry (center) chairing a subcommittee hearing in Washington is new level of corruption of the political process

BUSINESS

INDECENT EXPOSURES

One adds branches in less than a blink from the White House—and the offshore corporations for Washington's First American Bank featured widespread stories of family reasons against a backdrop of flouting U.S. laws. "We're First American," a note intoned, "the bank for who New York County district attorney Robert Morgenthau termed "the largest bank fraud in world financial history."

Within hours of Morgenthau's 22-count indictment—which named BCCI's President founder, Agfa Hassan Abadi—on criminal

WASHINGTON IS EMBARRASSED BY NEW REVELATIONS OF SECRET BCCI CAMPAIGN CONTRIBUTIONS

charges of fraud, bribery, money-laundering and grand larceny, Washington's Federal Reserve learned a record \$200-million cost free against the Luxembourg-registered bank for "purposely concealing" its ownership of

First American and three other U.S. financial institutions. But no new information about BCCI's criminal clientele and complex global web emerged, none of the redoubt lines seen in the U.S. capital in a two-day hearing before the Senate subcommittee on terrorism, chaired by Sen. Frank Lautenberg, former U.S. ambassador to Ottawa, charged that BCCI had subverted its decade-long struggle by buying a half-dozen of the city's top lawyers and lobbyists as "influence peddlers," and by funneling secret one-to-one bribes to campaign officials.

These charges were particularly embarrassing for Massachusetts Senator John Kerry, the Democratic subcommittee chairman, who in 1987 admitted an agency with BCCI and the money-laundering services it provided for former Panamanian dictator Manuel Noriega. Kerry said last week that he learned that BCCI had secretly bought an interest in Miami's

semi-defunct Citicorp Savings Bank, whose former chairman was businessman David Paul, Kerry's co-chairman on the 1986 Democratic Senate Campaign Committee. Kerry told his subcommittee that he was "appalled" to discover the connection to Citicorp, which was seized by regulators last year, donated at least \$377,000 in 1988 to federal political campaigns, including \$50,000 to the Kerry-Paul committee. Added Kerry: "BCCI represents a new level of corruption of the political process."

In Canada the House of Commons finance committee will hold hearings later this month to investigate the bank's Canadian operations. And in Ottawa, High Court Judge Sir Nicolas Browne-Wilkinson ordered BCCI's estimated \$15,000 asset depositors a temporary reprieve from the loss of their money. He ordered a delay in the liquidation of the bank's British operations for four months to give BCCI's new majority shareholder, Sheik Zayed bin Sultan al-Nahyan, the ruler of the Persian Gulf state of Abu Dhabi, time to devise a rescue plan.

The decision was a major setback for the Bank of England, whose governor, Robert Lough-Pemberton, had expressed misgivings about letting Abu Dhabi officials oversee the bank, which is accused of a \$23-billion global loan. Two weeks ago, Lough-Pemberton told a Canadian committee that he believed that the fraud indicted some of the bank's own representatives in BCCI. At the time of the hearing, he intended to cite the 238 bankruptcy of Sheik Zayed's accession to the throne this

week, foreign newspapers carrying reports of the BCCI would were temporarily closed from Abu Dhabi state radio. In Pakistan, government officials vowed to defy Morgenthau's extradition request against Abadi. The 46-year-old founder and former chairman of BCCI was forced to resign last year after a damning British audit report on the Luxembourg-registered bank. Confined to a wheelchair in Karachi after suffering two heart attacks, Abadi denied the charges against him. "The truth will ultimately prevail," he declared.

For Abadi, who once dreamed of building a vast Muslim global bank, the world was a stunning blow. Indeed, former Senate investigator Jack Blum testified before Kerry's subcommittee that the banker was so close to late Pakistani president General Muhammad Zia-ul-Haq that the general once left a state dinner to rush to Abadi's bedside as soon as he learned of his heart attack. Blum also said that many of Zia's generals had used the bank to hide money that they stole from covert U.S. aid intended to arm the Afghan rebel movement, as well as to funnel their profits from rebel heroin sales.

But in Washington, the most politically damaging revelation came from the testimony of a former BCCI employee who accused the bank of establishing a clandestine U.S. espionage double effort by repaying its clients to keep the bank out of the country. In doing so, Abadi allegedly used a half-dozen well-known Gulf rulers and tycoons as his front men to help Morgenthau launch a "test-to-stick plan." According to the Federal Reserve, the accused the Arab "share loans" to buy shares in the holding companies of four U.S. financial institutions, beginning with First American Bankshares Inc. The bank effectively controlled the shares and never required the companies to make payments to the bank.

Among the most controversial of these companies was Rural Affairs, a former head of Saudi Arabian intelligence who had close ties to the CIA. Another was South American Ghazal, whose owner, Joseph Caribana's Intelligence Bank, based in Caracas, and the National Bank of Georgia, where his purchase rescued the financially hard-pressed Bert Lerner, former president Jimmy Carter's close friend, after Lerner's resignation in 1977 as the White House budget director, sent allegations of scandal.

Last week, some critics said that these political maneuvers helped explain why neither congressmen nor federal justice officials seemed eager to take action against BCCI. With the federal banking, Democratic and Republican allies—indeed, even Bank Canada and Treasury Secretary Nicholas Brady had ordered him to file BCCI information from him—then pointed out one of the difficulties in the allegedly corrupt campaign bank. Declared that "they are not going to let anyone know everybody who has anything to do with it. It's the conspiracy on the ground level." And, he might have added, a scandal whose name is likely to have global politics for years to come.

MARCI McDONALD in Washington

Business Notes

MORE GOOD NEWS

Canada's economy expanded strongly for the second consecutive month in May, indicating that the economy is almost certainly over the deep freeze. Statistics Canada's indicator of recent analysis, and that the 0.8-per-cent May increase in the gross domestic product effectively "compensates" growth for the second quarter. Such growth would double four consecutive quarters of decline.

SUPPORT FOR BILL

The Ontario and Quebec governments both voiced strong objections to Toronto-based United Communications Inc.'s bid to sell Bell Canada's domestic long-distance telephone network. In written submissions to the CRTC, the two provinces argued that if United was permitted to charge businesses less for long-distance calls, they could subsidize rates would likely increase.

LOVELL'S BRIGHTENING TROUBLES

Calgary-based Montreal engineering conglomerate Grange Lovell Inc., which has recovered financially from the Quebec government's several times in recent years, suffered a setback when a consortium of Canadian and U.S. banks sued control of its oil-willing subsidiary, Western Petrochemical Corp. At week's end, Quebec Premier Robert Bourassa said that the province is again considering government intervention to ensure that control of the firm remains within Quebec.

ONE AIRLINE

A major initiative with money-losing Canadian Airlines International Ltd. and that the company would consider merging with its only domestic rival, Air Canada, if continued losses eroded Canadian's survival. At the same time, federal Transport Minister Jean Corbin and that Ottawa's main airlines, after the company proposes to no longer serving all of Canada if continued competition threatened the survival of Canadian and Air Canada.

UNITY MOVES OUT

Varity Corp., the 144-year-old equipment manufacturer formerly named Minneapolis-Papierne Ltd., is incorporating in the United States—with the approval of Ontario and Ottawa's 50th government. Both governments agreed to let the city shift its legal office to Buffalo, N.Y., from Toronto, after the company proposes to keep 1,200 jobs in Canada until 1993, and to pay a total of \$50 million to the two governments and hundreds of former workers.



The Canadian style: rewarding failure

BY PETER C. NEWMAN

Each decade has its heroes, and for the 1990s, we seem to fixate on such "competitiveness," a worthy but much misunderstood concept.

Competitiveness is usually measured by such leading terms as product quality, innovation, efficiency, customer service, along with research-and-development ratios. These are all valid indicators of how we collectively stack up as an ability to sell on the international marketplace, and the bottom line is simple: we are unable to effectively compete. A recent "World Competitiveness Report" published by the Swiss-led-based World Economic Forum gives Canada high marks for cheap electricity and medicine, but laments the country at the pace in terms of our international innovation—we rank 13th out of the 25 OECD countries surveyed.

One reason we are unable to play effectively in the big leagues is that we have a bad vocational training record and cannot get our conventional act together. Being the Yagoda via de North America is bad enough, but the kind of productivity gains required to secure the world marketplace are just not there.

The federal government's own discussion paper, "Prosperity Through Competitiveness," documents far reasonable recent downward spiral in Canada's productivity growth rate, which essentially means one job per worker—from an annual average of 2.7 per cent between 1967 and 1973, to 0.9 per cent for the decade following, to no increase at all since 1985.

But the real problem has more to do with attitude than anything else. Canada may be the only industrialized nation in the world that places a premium on bungling, provided it is in a spectacular enough mode. The head of a Japanese company or trouble regions in disgrace, here he is paid a bonus or granted an extraordinary golden parachute. Nobody claims victory any longer, and there's no responsibility for wrong decisions.

The most spectacular recent example of this phenomenon is, of course, Robert Campeau,

We may be the only industrialized nation that places a premium on corporate bungling—provided it is spectacular enough

whose personal losses were converted a perfectly good real estate company into an unrecognizable financial wreck. His crazy purchases costed a \$12-billion debt, driving down the value of his stock from a 1987 high of \$30.58 to its current level of 60 cents. Does he have any regrets? Does he admit that he might have erred, just a touch? No way. He has taken his own company to court, demanding outrageous retroactive salaries and bonuses for his failures as a corporate strategist.

Or take another shining gem in the Canadian mismanagement twynights—the executives of Debrao Inc. Once Canada's model corporate citizen, Debrao, in 1986, began to meet a total of \$173 million in Algonquin Steel Corp. Ltd.—and lost every board penny of it. End chairman Paul Plummer and president William Wallace express my doubts about their decision-making process? Did they think of stopping aside? Hell no. During 1990, when much of the \$173 million was lost, Debrao's senior management would mail \$1.5 million in executive bonuses on top of its \$4.3 million in salaries. Plummer and Wallace maintain that their company, oblivious to any fact they might regret for almost taking us of Canada's great companies.

Although losses are not quite as spectacular as Debrao's, the more miserably profitable Montreal-based conglomerate last year lost \$294 million and wrote down the value of nearly all its assets. The company that formerly consisted of 25 nonproducing forest-related paper and construction companies suffered major losses in its 12 surviving businesses—over a quarter of its salaried employees are being let go, and many of its unsalvaged workers are out of a job.

Most of Debrao's troubles are due to its ill-considered and badly managed diversification policy of the mid-1980s, spearheaded by chairman James Smith and chief operating officer Raymond Power. In a random act of some of their many calamitous decisions, the "Tootsie Roll" and "M&M" bought out an "ice cream colossal blender" the purchase in 1987 of General Dryden Products Co. and its five U.S. willowboard plants for \$314 million. One plant is now closed and the others are in trouble. The loss of market revenues was rewarded for doing what was once a jewel of a company with nearly \$2 million in salaries, bonuses and special payments.

Smith received \$857,362 on top of his regular salary of \$424,160 when he left in August, 1990—which included \$357,779 for unpaid vacation time. Power, who departed on May 31, 1990, collected \$623,856 for five months' work. \$183,290 salary plus an extra \$165,000 as a special payment in consideration for his long service, and \$265,566 for unpaid vacation time. None of these extravagant handouts included pensions. By the simple act of leaving, Smith locked in an outstanding pension plan designed to pay him \$438,766 a year for life, while Power must make do with an annual payout of only \$337,804.

It is, of course, foolish to single out these three companies, not because the facts and figures cited have been exaggerated, but because this style of rewarding executives who have made lousy and often stupid decisions that threaten the welfare, and even long-term existence, of their projects has become a fairly typical of the Canadian business ethic. That is one reason Canadian stocks are so undervalued. Why should anyone buy shares in companies that not only allow their directors and executives to screw up, but actually reward them for it?

It happens with business big and small. When Chicken Chicken Inc., a poultry run feed feed franchise went bankrupt last spring, John Gillespie, the company chairman, attorney-at-law and creditor meeting during which the company was dissolved. No matter what circumstances the business shareholders or franchisees demanded, Gillespie said there was never a word although he had previously been only too happy to take their money.

Complained Peter Muscatella, one of the failed franchise holders: "It's the head chicken, not the hen's loss the way." Canadian business will never be competitive until our chickens are kept to roost and our buying managers are not allowed to fly by the coop.

EXPECT A SURPRISE.

Carefully aged and specially blended to contain only 27% alcohol,

Soft Liquor is a full flavour taste experience,

yet so smooth and gentle, it almost whispers,

SURPRISE! SOFT LIQUOR BUMBLES ALSO AVAILABLE.

SUCCESS IN HARDTIMES

SOME CANADIANS ARE SHOWING THAT IT IS POSSIBLE TO THRIVE IN THE INCREASINGLY COMPETITIVE GLOBAL MARKET

Like many successful executives, Gerald Thorp began with a vision. In 1967, after 10 years in Alberta's oil exploration business, Thorp says that he became convinced that there was an untapped market for a lightweight gas analyzer that could "pull" out oil and gas deposits. Gas analyzers had been in use for decades, but the existing machines weighed 100 lb. and took at least seven minutes to analyze a sample. After discussing his proposal with scientists in the United States and the Netherlands, and with financial support from the National Research Council in Ottawa, Thorp and several associates designed a three-pound analyzer that uses leading-edge microchip technology to perform the same function in less than a minute. The company they set up, Calgary-based MicroTech Well Logging and Wellbore Consulting Ltd., began marketing the devices three months ago and already has contracts with 12 energy firms. Thorp and his associates are among thousands of young entrepreneurs, researchers and managers whose achievements are helping to make Canada more competitive.



Canadian machine: Northern Telecom robot programmer (right) outstudies

MicroTech is currently negotiating joint-venture agreements to market its product in the United States and Europe. "To start a company, you have to be willing to work long hours and live from hand to mouth," says Thorp, 37, MicroTech's president. "But I know that if we stick with it, we were capable of creating a product that would compare internationally." At a time when the country's economy is coming back from the lingering effects of a protracted recession, success stories like Thorp's provide evidence that many Canadians still possess the knowledge and the resources to succeed in the increasingly crowded global market. Indeed, at its short history, MicroTech has delayed entry of the key trans that entrepreneurs and business leaders are now poised to ensure that Canadian business thrives in the 1990s: bringing identified a potential market, the company secured the world for the best available technology and then applied it to create a specialized product that will win customers at home as well as abroad.

Innovative Still, the hundreds of Canadian companies that are competing effectively around the world—including such widely acknowledged success stories as Northern Telecom Ltd. of Mississauga, Ont., and Bombardier Inc. of Montreal, makers of the Canadian commuter jet—are surrounded by thousands more that have fallen behind in the race is an aside, or were never serious contenders in the first place. For

too long, analysts say, Canada's prosperity has been based mostly on its abundant but diminishing natural resources and the availability of cheap energy. Moreover, many of the country's resource-based industries could not function without imported machinery. As Bank of Nova Scotia chairman Cedric Belfrage cautions, "Canada probably runs down more times than any country in the world, but we export discoveries."

The country's manufacturing sector is clearly facing even bigger problems. According to Statistics Canada, 267,300 manufacturing jobs have disappeared since the country since January, 1988. Critics blame the



1989 Canada-U.S. Free Trade Agreement, the Bank of Canada's policy of maintaining high interest rates to curb inflation and the 50 per cent appreciation of the Canadian dollar against its U.S. counterpart since 1986. But another factor has undoubtedly played a role as well: as Statistics Canada reported last week, productivity in Canadian manufacturing—essentially, output per worker—fell sharply between 1986 and 1989. In the United States, the counterpart for two-thirds of Canada's exports, manufacturing productivity increased during the same period.

Over the past two years, an army of academics, consultants and business groups has tried to determine the reasons behind Canada's poor productivity growth. Some experts charge that Canadian workers demand excessively high wages from their employers and expect too many services from government. That dependence on government support, they say, leads to higher taxes that discourage new investments and reduce the incentive to work. Another view, less concisely expressed, is contained in a 1988 study on competitiveness by the World Economic Forum, a Swiss-based academic consortium. The Canadian business leaders who took part in the study concluded that, in general, managers in Canada have a mediocre sense of drive and entrepreneurship compared with their counterparts in other industrialized countries. "There is no such a thing as a bad work force," says Doug Bara, director of Toronto-based Bala Ltd. "It is a question of bad leadership or bad management."

Pressure: The results of Canada's weakened competitiveness as clear unemployment has reached 10.5 per cent, the highest rate among the world's seven leading industrialized countries. Many companies have abandoned their domestic operations and moved to the United States, just as Canadian consumers are steadily increasing numbers, are crossing the border to do their shopping.

Under pressure to respond to those problems, federal government leaders say that they will launch a concerted campaign to improve Canada's competitiveness—although Trade Minister Michael Wilson has not provided any of the specific policies that his government intends to pursue (page 30). But members of all three major federal parties agree, in general terms at least, on the need to improve education and workplace training programs, stimulate spending on research and development and provide a viable source of funding for new business ventures with export potential.

But most Canadian businesses cannot afford to wait for the results, which may take years to have an effect. In fact, many analysts express doubt that Ottawa's response will make much of a difference. Says Judith Maxwell, chairman of the Ottawa-based Economic Council of Canada, "It's not a question of governments being able to push levers and affect productivity growth. The solution is going to happen on the plant floor."

Challenges: Increasingly, Canadian business appears to be responding to the challenges. To show how some companies have successfully improved their competitive position, in the following pages Markov's profile six outposts, ranging from a forest-products company to a designer of sophisticated computer software (page 34). The lessons they have learned are by no means universally understood in the business community. But their experiences indicate that Canadians—with will and determination—can still thrive in the global marketplace.



Shoppers check a stove in Mississauga, Ont.; customers start a chain reaction

SCRAPING THE ASSEMBLY LINE

CAMCO ADOPTS A NEW MIND-SET

Until the late 1980s, recalls Charles Miller, 38, Camco's vice-president for product marketing, but it had one glaring flaw: "Our forecasts were consistently wrong, which meant that our customers weren't happy." **ReThink.** In fact, Camco's reliance on a rigidly structured manufacturing process—a method little changed from the auto-production system pioneered by Henry Ford in the early 1900s—would probably have driven it out of business if the company's executives had not decided, in 1988, to rethink the way they did business from the ground up. Despite its stature as Canada's largest manufacturer of major household appliances, Camco found an uncertain future as a result of the 1989 Canada-U.S. Free Trade Agreement (FTA), which provided for a 10-year phase-out of Canada's import duties on major appliances, but set at 11 per cent. The tariff dimension could have resulted in U.S. companies, which benefit from

economies of scale, dominating Canada's then weak, but the company was also riddled with internal problems, including high inventory costs, inefficient assembly plants and poor customer satisfaction. "We basically had no choice," says Jean-Guy Gagnon, the Montreal factory's manager of manufacturing systems. "We realized that the only way to survive in the North American market was to become faster and more flexible. That meant that we had to get smarter."

Camco's struggle to become more competitive, although far from over, has clearly had a positive aspect. Squashed by the recession, the company's profits declined to \$12 million last year, or sales of \$468 million, compared with profits of \$19.9 million on sales of \$517 million in 1989. At the same time, however, the company maintained its share of the market for laundry appliances and actually gained slightly in kitchen products, a category that includes ranges, refrigerators and dishwashers. Camco's product lines, including the General Electric, Hotpoint, Mofite and McCarty brands, as well as several private brands for the major department-store chains including Eaton's and The Bay, now have a combined 36-per-cent share of the Canadian market for major household appliances.

Camco officials acknowledge, however, that even a strong market share will not ensure the firm's survival. For good, they have the experience of the company's main competitor, Ingersoll Ltd. of Mississauga. Two years ago, with the aid on the FTA barely dry, Ingersoll measured pain to come out of its two Canadian factories, a washing-machine plant in Toronto, and to begin importing the machines from its majority owner, Whirlpool Inc. of Benton Harbor, Mich. The significance of that decision was not lost on Camco's 2,600 employees, the company's 51-per-cent stake controlled by General Electric Co. of Fairfield, Conn., which has traditionally and closely other, or levels of Camco's production facilities.

To improve their chances of survival, Camco's managers began searching for ways to increase productivity while reducing the firm's inventory costs. And, in the process, they realized that the two problems were actually different sides of the same coin: the company was manufacturing appliances according to theoretical forecasts of consumer demand, rather than in response to actual sales. In practice, that forced Camco to keep a huge supply of inventory on hand, and they simply to make sure that it would have enough appliances on hand to cope with potential fluctuations in demand.

To make matters worse, the company frequently underestimated the demand for particular models, or colors, at options. Instead of delaying their purchases in order to give the company time to manufacture the desired units, at its near 130-day production period, most customers simply took their business elsewhere. Says Stephen Snyder, 42, Camco's president and chief executive officer: "We had orders waiting as long as three months for delivery. Whenever that happens, you know that you are losing sales."

The solution to Camco's problems seemed obvious, nonetheless, for the company had to find a way of making appliances to order. That involved abandoning one of the fundamental principles of mass production: the conviction that the cheapest and most efficient method of manufacturing is to produce vast quantities of standard items as continuous production runs. Says Snyder: "The old mind-set was always,

assembly mechanism uses a computer-controlled overhead conveyor system to guide parts assembled onto a chassis through a series of stations. Rather than performing a single, repetitive task in a continuous moving assembly line, employees operate in teams and are responsible for carrying out their own quality checks before sending the product on to the next assembly stage.

Flexible. But the biggest change at Camco's Montreal assembly plant was the introduction of a Japanese-style flexible production system known as *kanban* or *just in time*. Unlike a traditional mass-production system, which essentially pushes products through the factory according to predetermined schedules, the *kanban* process is designed to react quickly to the customer's place, pulling goods through the factory in response to consumer demand. The chain reaction starts when a customer buys one of the products. That signals the factory to replace

parts in the older version, and the product's weight has been reduced by 25 per cent. "In manufacturing, weight equals cost," says Snyder. "With fewer parts, you get reduced assembly time and even transport charges."

The company has also reduced the number of its outside suppliers to about 500, from 1,500 in 1986. Within a few years, the figure should be below 300, Snyder says. Most of those companies will likely supply discrete or turnkey supply contracts, in contrast to the one-year arrangements that once were the industry norm. "By having fewer suppliers and staying with them longer," Snyder adds, "we hope to create an incentive for them to invest to productivity. Suppliers used to be afraid to spend money on equipment because they knew that next year they could lose the contract."

According to Gagnon, the recent changes at Camco have had a dramatic impact on quality. Before, fully 18 per cent of Camco's dishwashers failed to pass the company's factory inspection and were sent back for repair. Now, Gagnon says, the average rejection rate is five per cent, and about half of the cases involve only cosmetic defects. Meanwhile, the number of quality-control inspectors has been cut to three, from 25 in the mid-1980s. "Under the old system," adds Gagnon, "we checked for quality at the end of the assembly line. Now, our operators do that at every step in the process. It's a total culture change."

The new manufacturing methods have had an even bigger impact on production cycles. The old 130-day cycle is gone—Camco can now process a dealer's order, build the appliance and ship the finished product within three days. Dealers who wanted to place orders once a month now fax orders directly to the

factory every week, and in some cases every day.

Factor. For his part, Snyder says that Camco has yet to get its production costs down to the levels of large U.S. appliance makers, including General Electric. He adds that in the future, the company will probably concentrate on lower-product lines while attempting to increase its U.S. sales from five per cent to 50 per cent of its total sales. But he says that as a Canadian that Camco has found the key to surviving in the North American market. Adds Snyder: "In the long run, we've got to become faster and more efficient. And the way to do that is to get closer to our customers." By positioning what he says Snyder and his associates are helping to prove that there is a future for Canadian manufacturing.

ROSS LAYNE in Montreal



Camco Inc.

HEAD OFFICE:

Mississauga, Ont.

MAJOR PRODUCTS:

Major home appliances

EMPLOYEES:

2,600

1990 REVENUES:

\$468 million

1990 PROFITS:

\$12 million

ESTABLISHED:

1977

Gagnon: "The only way to survive was to become faster and more flexible"

"You give me the largest lot size and the longest lead time, and I'll get you the lowest price. Simply in terms of manufacturing costs, it's not probably true. But what good does it do you are not producing exactly what your customers want when they want it?"

In 1988 and 1989, tens of Camco managers and employees travelled across North America and to Europe and Japan to examine ways in which manufacturers had responded to similar situations. In Gagnon's case, the tour included visits to a Toyota factory in Cambridge, Ont., a Siemens appliance factory in Germany, and General Electric's monthly plant in Japan. At the same time, the company spent \$30 million to build a state-of-the-art dishwasher production line at its new Montreal factory. Similar to the production lines introduced during the 1980s at Japanese and some North American appliance plants, the new

product, which it does by selecting the necessary parts from its suppliers. To avoid waste, the parts themselves are manufactured and shipped to the factory just as they are when required to fill a new order—appliance inventories as just-in-time inventory control.

At Camco's Montreal plant, the *kanban* system had resulted in a dramatic reduction in parts inventories. Previously, much of the floor space was taken up by boxes full of electronic motors, switches, hinges and other components, many of which were used only occasionally. Now, parts arrive in small batches and are delivered immediately to the point on the production line where they will be needed.

To improve quality, Camco has borrowed two other ideas from the Japanese—simplified design and single-sourcing. A new line of dishwashers introduced in 1989 uses 300 different components, compared with 900

CASHING IN ON FANTASY

ALIAS BRINGS DREAMS TO LIFE IN 3-D

Syringe-Bugha has a talent for selling high-profile clients computer software that produces spectacularly creative results. Millions of moviegoers around the world this summer have enjoyed Bugha's success as the art director for Terminator 2: Judgment Day. The movie's animation and program developed by Bugha's Toronto-based computer software firm, Alias Research Inc., to design the evil Cyberdyne T-1000 robot character that battles against Arnold Schwarzenegger. That kind of special-effects application is what Alias's 48-year-old president had in mind when he co-founded that company in 1993 as a television and film animation house. Then, Bugha discovered that his three-dimensional graphics programs were equally useful for industrial design. Now, the company serves most of its clients in those areas of its industrial animation software to multinationals such as General Motors Corp. 1990, Sony Corp. and Times Corp. (last year, Alias's revenues nearly doubled to \$26.2 million), says Bugha: "We've built a bridge between the hard-core engineering world and the more fanciful creative world."

Gold: Although Alias is young and still relatively small, the company's rapid growth has earned widespread recognition. Since its early days in a cramped office in a former chocolate factory in downtown Toronto, Alias has expanded to occupy four floors of the building and it now employs almost 250 people. Last October, three-Indian industry Minister Donald Boudreau presented Alias with a gold star for achievement in the department's awards for technical excellence ceremony. And Bugha now holds a badge of honor from the company's 15th annual awards ceremony with design excellence at each technical center. The only thing Bugha had to add to their work was a half-completed image of a candle that he had prepared the night before. According to Bugha, the award ceremony was so modest that the eight CD designers in the room "put out their chairs and passed their seats to the screen." They decided to order three Alias systems and 50 computer monitors at a total cost of \$1 million.

Bugha is an unlikely high-tech tycoon. Lacking any formal engineering or technical training, he obtained a master's degree in Canadian studies from Queen's University in Kingston. He then worked as director of film's National Film Theatre (from 1981 to 1983), which allowed him to indulge his love for movies and animation.

It was a visit to Hollywood director George Lucas's renowned Industrial Light & Magic animation studios in California that inspired Bugha to form his own animation company. Alias was motivated by three persons—David Spangier, a community college computer

graphics instructor, and television and film producers Susan McKenna and Nigel McGivray. Unfortunately, says Bugha, they soon discovered that there was little steady demand for Alias's specialized animation software among film and television companies.

In fact, Bugha says that he practically stumbled into what has become Alias's largest market during a 1985 trip to Detroit to build computer systems from the firm's U.S.-based

At the time, CM's designers still relied exclusively on traditional methods to develop plans for new cars—hard-foam sketches and clay models. Now, with Alias's software, they can create photographic-quality, three-dimensional images of auto bodies or individual parts on computer screens, view their creations from any angle and under a variety of light conditions and quickly alter them. Since then, dozens of other blow-dry traditional manufacturers have bought Alias programs to design new cars, stereo systems and many other products.

A tireless promoter of his own products, Bugha says that he has learned from experience how to attract clients in an era of fierce global competition. "My advice to other Canadian companies" is to focus on a large U.S. buyer. Then use that customer as your seal of approval.

Secret: Despite his company's achievements, Bugha says that he is worried that Canada is behind other countries in computer software development. One problem he cites is the reluctance of Canadian banks and investors to back software firms, which are widely perceived as risky. Declares Bugha, "We're



Alias Research Inc.

HEAD OFFICE:
Toronto

MAJOR PRODUCT:
Computer-graphics software

EMPLOYEES:
250

1990 REVENUES:
\$26 million

1990 PROFITS:
\$5 million

ESTABLISHED:
1983

Bugha: "I've won by focusing on making money, not just saving it."

getting so much of the auto industry business in the world." He also accuses Canada of making too much effort to reduce the deficit instead of trying to help high-tech companies obtain financing for research and development. "It's a half-price game," Bugha says of Ottawa's allegedly economic policies. "You win by focusing on making money, not just saving it. In the nineties we need to do that. Bugha's approach has produced impressive results.

JUDITH DALE

PACKAGED FOR GROWTH

FOR MANUFACTURER CCL, BIGGER IS BETTER

To mark his company's 48th anniversary in June, Wayne McLeod could almost get carried away by the fact that 13 of the firm's 23 manufacturing plants around the world. McLeod is president and chief executive officer of CCL Industries Inc., a Toronto-based company that produces labels and containers for consumer goods, as well as a range of brand-name household and personal care items for multinational firms like Procter and Gamble. In the past two years, his determination to survive free trade and conquer foreign markets has spurred CCL to expand from its domestic base into an international operation with \$390 employees across North America, Mexico, England and Australia. McLeod is close with them during a four-week tour of CCL's facilities, which also included presentations on the company's future plans. But such broad-office visits to the field are rare. In fact, the company's assignments are strongly encouraged to operate autonomously.

Says McLeod, "We try to be as flexible as possible, and give everyone lots of rope." Aggressive: CCL began in 1951 as the Canadian packaging and container-manufacturing partner of U.S.-based Commercial Chemicals Ltd. Over the years, it grew steadily by acquiring other companies, but the takeover pace picked up in the past two years under the Free Trade Agreement. Since 1989, CCL has completed nine purchases, "transforming itself into the largest North American manufacturer of pressure-sensitive labels and containers," as well as becoming a major force in the global consumer-container industry. "Free trade was the worst and best thing that ever happened to us," says McLeod, 51, who joined the company as vice-president of packaging in 1980. "It forced us to become more focused and much more aggressive to survive."

Indeed, the FTAA forced CCL to become a much larger company—so large going out of business before the agreement, large manufacturers of brand-name products like Javira deodorant or Afta antiperspirant found it more economical to use companies like CCL to serve the smaller

Canadian market, rather than establish separate plants in Canada. But, under free trade it became possible for these U.S.-based companies to serve the Canadian market from their U.S. facilities. Says William Chisholm, an investment analyst with Loewen, Oshaghy, McCutcheon Ltd. in Toronto, "CCL had very little choice other than becoming a North American entity. They had carved out a niche in the competitive Canadian market for consumer goods companies, but they have to compete that role in a North American context to survive."

Although CCL has mastered the technique of hiring out competitors, McLeod believes it



CCL Industries Inc.

HEAD OFFICE:
Windsor, Ont.

MAJOR PRODUCTS:
Personal-care and household products

EMPLOYEES:
5,200

1990 REVENUES:
\$474 million

1990 PROFITS:
\$19 million

ESTABLISHED:
1951

McLeod: "We try to give everyone lots of rope."

working with, either two manufacturing, two service units. Typically, CCL sales managers have newly acquired companies to participate in the integration of their operations. The ensuing dialogue, which frequently results in losses in management style or assimilation in regional markets unfamiliar to CCL, has led McLeod to adopt a decentralized approach aimed at preserving the competitive edge of the purchased company. Says Rina Torres, president of CCL's North American consumer divisions, whose executive offices are in suburban Barrie, "People from head office probably don't visit as much as—though—before they did. It would probably mean we weren't performing."

Having affirmed the critical role in Canada internationally, McLeod says that CCL intends to intensify their foreign efforts. And in addition to exploring partnerships in countries like Germany and India, the company is also looking to cash in on the growing demand for private-label products for large retailers like K-Mart and Wal-Mart. The pressure-driven industry may also bring some new opportunities to expand, he says. Clearly, CCL management is looking forward to more healthy celebrations in the near future, with more employees

DEBORAH M. MURPHY

LESSONS IN HOW TO SURVIVE

FIRMS FIND NEW PATHS TO PROFITS

In business, there are many paths to informal success. Some companies have become leading competitors by developing innovative products. Others start with tried-and-true products, but find new and more efficient methods to make them. Still others, the results are the same: higher sales and improved export potential. These case studies:

As the adage goes, "If someone builds a better mousetrap, the world will beat a path to the door." One small Quebec, Canada, manufacturer, Dutailier Inc., has built a better rucking chair. Traditional rucking chairs tend to scuff floors and provide an uneven ride, and the rucker must continuously grip the base. But Dutailier's Glider Rucker, which retails for between \$150 and \$200, depending on the model, eliminates those drawbacks. Its base sits in place while the chair itself moves smoothly back and forth with a minimum of effort. And, proving the saying about encouragement, the world has started looking on the company's door at 51-Pe-de-Bagot, 20 km east of Montreal. According to Pierre Cloutier, Dutailier's vice-president of sales and marketing, the company has 3,500 customers—75 per cent of them outside Canada. Most of the firm's exports go to the United States, where such major retailers as Sears Roebuck and the chain Linc. have begun exporting to France and the United Kingdom as well. The results are so encouraging says Cloutier, that the firm now plans a major push into the other 10 European Community member-countries. He adds: "There are 250 million educated consumers there. We want to be a part of it."

As a result of successfully launching its manufacturing while it develops a global marketing vision, Dutailier is thriving in the competitive furniture industry. For the first 12 years after Pierzard Fortin, a former accountant, founded the company in 1976, Dutailier also made in-

ing-room and bedroom sets. But in 1985, the company eliminated those lines and began concentrating solely on the rucking chairs. Says Cloutier: "That was the turning point. Before that we were like everybody else in the Canadian marketplace—trying to be all things to all people."

As a private company, Dutailier keeps confidential its financial figures, but there is little doubt that specialization has worked. Dutailier currently has 500 employees—up from fewer than 200 in 1988—in four manufacturing plants.

As well as winning numerous design awards during the past three years, Dutailier also picked up a 1991 award for production and marketing from the Montreal-based Quebec Chamber of Commerce. The Glider Rucker is now available in 35 models, with 17 different finishes, from plain, varnished pine to each season's most fashionably colored lacquers.

Shoppers can also choose among 30 chair coverings, from printed fabrics suitable for the nursery to sophisticated leather leathers. A recently upgraded computer system for managing distributions also ensures customer tastes. As a result, the selection of finishes and fabrics is modified twice a year. Says Cloutier:

"You create demand by producing a product the consumer wants." For Dutailier, making the better rucker has had a powerful result.

BARBARA WICKENS

It looked like a game of hot potato, but it was really a demonstration of just-in-time delivery. Thirteen workers at the Boeing Canada Technology Lab plant in Kingston, Ont., sat in a room, passing small aluminum discs back and forth. Some participants stood colored tabs to the discs, others pointed them out, but only after receiving a signal from the next person along the assembly line. The discs represented airframe parts, and the movement and application of the tabs represented work done in the factory.

The object of the exercise was to teach employees to refrain from working on a part until a customer receives a shipment and generates new demand. "If you are working without authorization [themselves], you are building unnecessary inventory," warned Michael Chouinard, the course supervisor.

The disc-shuffling game is a key training session in the plant's effort to improve its productivity—and its competitive position in a highly volatile industry. Although Boeing-Canada Technology is a division of Seattle-based Boeing Co., the Ampen plant, 50 km west of Ottawa, most compete against Boeing's Japanese and other competitors for contracts from the parent company. Currently, the factory employs 600 people and does \$60 million in business a year, servicing Canadian military helicopters, fabricating steel aerial and naval structures, and assembling parts for several Boeing aircraft models.

Until 1986, company officials say, the firm paid plant frequently failed to meet costs—because of high costs and late deliveries. Indeed, the on-time delivery performance rate was just 36 per cent. But the plant's performance began to improve in December, 1988.



Boeing Canada Technology Ltd.

HEAD OFFICE:

Wanpen

MAJOR PRODUCTS:

Airplane parts

EMPLOYEES:

2,100

1990 REVENUES:

\$207 million

1990 PROFITS:

N/A

ESTABLISHED:

1954

See page 1. Not all CEOs lack the commitment to new tools.

when Boeing Canada Technology president James Sawyer introduced a computerized planning system known as Manufacturing Resource Planning II. According to Boeing officials, after it goes beyond merely tracking inventory, it makes it possible for employees at all levels of the company to monitor the entire production system to meet deadlines.

But despite the system's apparent advantages, Sawyer says that he had difficulty convincing his bosses in Seattle to adopt it. A first attempt at using it failed in 1986 because, he says, the company did not involve its employees. "The old crew, like the owner, went to new tools," says Sawyer, who joined the company as an apprentice machinist in 1954. "I sat in the cafeteria and watched the flows," he added, "and I was taught me that you cannot bring new concepts in through the side door."

Now that nearly every employee has taken a course about the new planning system, the company says the plant's on-time delivery rate is 95 per cent and raw material inventory has been reduced to \$2 million. Because of that success, it is planning to MRP it at its larger Winnipeg plant.

Still, some of the Ampen facility's difficulties remain. It has quality-control problems, says general manager Robert McDonald. But he adds that as the just-in-time inventory system spreads throughout the operation, workers will be forced to make quality checks at each stage. That will involve them even further in the production process, affecting Sawyer's belief that without employee participation, new concepts are doomed.

ANN WALMSLEY

that can replace steel in some circumstances.

In 1989, after testing about 8,000 different versions of the product, MacMillan Bloedel began production of Paraflex at a plant on Anacapa Island, 30 km south of Vancouver. That facility has since been expanded to employ 90 people who produce a million cubic feet of Paraflex a year, 15 per cent of which is exported to the United States. Last year, the company opened a second factory in Calhoun, Ga., that is designed to turn out twice the volume of the Anacapa plant.

But promoting the large U.S. market is a major challenge, and Arthur Schorn, Paraflex's marketing manager, for that reason, MacMillan Bloedel plans to join forces with an established U.S. building-products manufacturer. That joint effort is to tackle the U.S. market, Schorn says. "Market share was not growing fast enough to keep the plants operating at capacity," Schorn adds. "We had to find a way to accelerate the process."

Even as Paraflex is being positioned to tackle the U.S. market, Schorn is eyeing other opportunities in Japan—where partner Trus-Joint already has a foothold—and in Europe as well. Clearly, working in partnership has rapidly expanded the horizons of the Canadian product.

DEBORAH MUMFORD



Dutailier Inc.

HEAD OFFICE:

51-Pe-de-Bagot, Que.

MAJOR PRODUCT:

Rucking chairs

EMPLOYEES:

550

1990 REVENUES:

\$40 million

1990 PROFITS:

N/A

ESTABLISHED:

1976

Closest the world is looking on the company's door.



Anacapa Island employee works on Paraflex beam: key strategy

Paraflex Division of MacMillan Bloedel Ltd.

HEAD OFFICE:

Vancouver

MAJOR PRODUCTS:

Reinforced wooden beams

EMPLOYEES:

300

1990 REVENUES:

N/A

1990 PROFITS:

N/A

ESTABLISHED:

1987

Simon Fraser University
in Burnaby, B.C.
educational reform

radical changes in the country's education and economic policies. Those shifts, officials say, might include the introduction of a longer school year and the weakening of the federal Competition Act, which some business leaders claim discourages the growth of large, internationally competitive companies in Canada.

Still, whatever Ottawa eventually recommends will be nearly impossible to achieve without the co-operation of organized labor. Declared Stanley Carr, president of the 2.5-million-

Congress. "We're not saying 'no.' We'll have a look at it. The labor force understands that we are a trading nation and we have to be able to sell our goods abroad. But who says we are not competitors?" Carr added that the Malawi government is itself to blame for the country's economic weakness. The new Goods and Services Tax, she says, as well as the relatively high level of the dollar, have undermined industrial growth and led to unemployment.

Inside: Even if Wilson succeeds in lining up public support for his policies, he faces other obstacles. Any broad-ranging federal initiative would span many different government departments, each of which routinely defends its bureaucratic and political turf. It would also likely attract on provincial jurisdictions.

But the time for action may be running short. Wilson himself says that there is a danger that the momentum for a serious evolution of the

"We're moving into a period of genuine growth, and I want to ensure that we don't slip. Where, now that it's behind us, and continue as in our old ways. Business has got to take advantage of increased cash flows—not to increase dividends and executive salaries and to buy yachts—but to put money back into their operations to pay for new technology and the training of their employees."

Some business leaders add that if the government is committed to creating a more efficient economy, it could begin on "business

118 The government's payroll, they point out, provides for 437 members of the House of Commons and Senate—one federal politician for every 64 000 Canadians. By contrast, there are only 535 members of the U.S. Congress—one for every 487,000 Americans. Wilson may be reminded of that every frequently that he would like in the coming months as he urges Canadians to do their own part for conservatism.

ROBERTA DALCLIM

COVER

GAMBLING ON A NEW VISION

THE TORIES PUSH COMPETITIVENESS

Making the Canadian economy more competitive holds a special attraction for Brian Mulroney. Conservatives And along with a prominent national anti-union drive, the Tories are gambling on the competitive issue to help improve their popularity before the next federal election, likely in 1993. But some political analysts claim that competitiveness could easily become a millstone. "It is a real trap," says a senior Tory strategist who has advised the government on the issue. "Competitiveness is so subjective to touch because all these people say it is a good thing. But, like a tar ball, the closer you get to it the more of a mess it becomes."

In fact, some federal officials maintain that competitiveness is potentially as powerful a political issue as free trade. As happened during the early days of the trade debate, polls indicate that a majority of Canadians support the government's general position—that educational reform, a greater emphasis on research and development and a more aggressive foreign-trade strategy are essential to the country's future prosperity. But, again like free

trade, that consumers quickly sides on further expansion. Although business leaders have called for a closer partnership between managers and workers, organized labor is skeptical. Pete Michael, Wilson, who heads a new superagency that combines international trade with industry, science and technology, forging a public consensus or competitive will likely be easier than winning support for any particular policy. That may be why Wilson's public statements on the issue have so far focused on the objectives rather than on the means to achieve them. "Competitiveness," he told *Meridian's* recently, "is about more jobs and more better-paying jobs."

Vague: Most of the government's other statements on the issue have been equally vague. A 30-page draft discussion paper released last month argued that Canadians will have to embrace "a revolutionary change" in attitude in order to compete more effectively in the global marketplace. But the paper, and a companion document calling for improvements in the educational system, alluded to specific recommendations. Indeed, the Tories themselves are divided on whether to push for

PEOPLE

FROM CIVIL RIGHTS TO SOUL

Director Alex Proyas says that because he is "in serious gray," most of his movies contain some kind of political statement. True to form were his civil-rights drama, *Mississippi Burning* (1988), and last year's *Crucial* (the Perennial, in which Denzel Washington played the husband of a Japanese-American interned during the Second World War). But Proyas's latest movie, *The Condemners*, is a war-torn heart-lacerator at a group of Dublin youths who form a gang group. Said *Los Angeles Times* Proyas, "Our last few films have been quite heavy. I thought it change might be nice."

Bad adventure

Children's entertainer Fred F. Residens, better known as Pre-Wee Herman, was arrested on July 26 for allegedly exposing himself in a pornographic movie theater in Somerset, Pa. The star of the recent, raunchy comedy *GETTIN' SHOW* *Pre-Wee's Pop Culture* (1994 to 1995), and the movies *Pre-Wee's Big Adventure* (1995) and *Big Top Pre-Wee* (1996), wasn't just past his prime, but he issued a statement denying the allegations. He did, however, acknowledge that he had been in the theater that was showing a triple bill of *Nancy Nurse*, *Tears of the Moon* and *Tiger Shark*. The arrest has



Resubmits (see Pre-submit details)

rumor of Penner's *Playhouse* on Saturday mornings, announced last week that the five remaining scheduled run-ins would not air. And Disney-MGM Studios in Florida removed a film clip starring Penner from a theme park tour. Whether Reubens is convicted or not, he has already begun serving his sentence.

SOME FEMININE FISTICUFFS

Division. Bobbittelle made boxing history last week in Sydney, N.S.W., when she beat Jenny Bold in the first professional women's women's boxing match ever held. After three rounds, Bobbittelle, 26, a freelance signlanguage interpreter in Fredericton, secured a unanimous decision over Bold, 28, a Ringette, Ont., lawyer. Bold the stated winner after the fight. "It felt great to be in a real fight," Added Bold, whose lobbying led to the historic Canadian bout. "We certainly showed people we could do it."



Bobcatville (left). Bush Street is set for a real fight



Eslo: *Things can be better*

FEMALE BONDING

With the release of the summer's surprise hit, *Thelma & Louise*, Hoffmann has developed an affection for the female buddy movie. The latest is *Leaving Normal*, which was shot in British Columbia, starring Meg Tilly and Christine Lahti. The two play women who change each other's drab lives for the better. But Tilly, 31, says their similarities between leaving *Normal* and *Thelma & Louise* end there. Solid Tilly: "It's not saying that women have to be so strong that their destruction is their only option. The women in our movie say, 'Things can be better'—and then do get better."

Advantages of seniority

After a tie and a two-hour run delay, golf legend Jack Nicklaus beat *Clu Ch Kadenburg* by four strokes last week to win the U.S. Senior Open championship "The Bear," as Nicklaus is nicknamed, tied the course record at Oakland Hills Country Club in Birmingham, Mich., with a five-under-par 65. Last year, at his first Senior Open, Nicklaus, now 51, placed second, and this year's win will allow him to play in the 1992 U.S. Open, even without an invitation. Said Nicklaus: "This is one of the best rounds I've had in the golf ball. For half a day, I was down."

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CRIME

Toronto the Bad

Violence soars in Canada's largest city

For decades, it was known as Toronto the Good, a steady and law-abiding bastion of Tory parlance on the shores of Lake Ontario. But that image is rapidly melting from memory. Metropolitan Toronto slashed the 1980s with the largest increase in violent crime of any major city in Canada, and now, more than a year and a half

Halifax (136), Montreal (136), Edmonton (135), Ontario's Hamilton-Wentworth region (131), Ottawa (130) and Metro Toronto (124). The ratings may soon change: In 1990, crimes of violence in Vancouver actually declined by more than two per cent, and in Montreal, rose less than one per cent during the same period.

By comparison, the Toronto figures have



Toronto's Emergency Task Force: 'There are a lot more guns on the street'

since the 1980s, it is lagging behind. Last year, there were 55 homicides in Metro Toronto. By the end of July, 1991, there were already 53, and police are predicting that the full-year total may reach 95—fully 30 more than the worst year on record. Said Metro deputy police chief Peter Scott: "I asked the homicide squad if we are going to have murder rates like our cousins in the south, and their blunt assessment was 'yes'."

Although violent crime is increasing faster in Metro Toronto (population 3.5 million) than anywhere else in the country, the actual number of crimes being committed, slashed, rolled or subjected in relation to total population put the city seventh among 10 major cities in 1989, the latest year for which comparative figures are available. Vancouver, with 395 violent crimes for each 100,000 residents, was first, followed by

second. Between 1985 and 1990, crimes of violence in the Metropolitan Toronto region shot up by nearly 50 per cent. And as the data year, Scott said, the volume is running 60 per cent ahead of 1990. Last year, he said, robbers struck 1,079 small businesses, mostly variety stores and gas bars, and Scott predicted that the total will increase by 30 per cent this year.

Nationally, the incidence of criminal violence in Canada rose by 30 per cent between 1989 and 1990, and police agencies across the country attributed most of the increase to widespread drug use and trafficking and to the greater use of firearms. In Vancouver, which had 22 homicides in 1990 and 21 up to Aug. 1 this year, Sgt. George Barkley of the city police homicide squad said, "There are a lot more guns on the street than there ever have been."

The Metro Toronto police experience nar-

rowed nationwide concerns over guns and drugs. Scott said that the use of firearms in crimes had increased by 150 per cent between 1985 and 1990. In the worst drugs, according to Scott, arrests went up by 26 per cent in 1989, and a further 34 per cent in 1990. Said Scott: "Our perception is that over 80 per cent of those arrested for bank and small-business robberies are drug-dependent."

But Scott said that arrests and prosecution will not solve the problem. "In 1989, we put nearly 100 drug officers on the street," he said. "We arrested 4,000 traffickers and clogged the courts and about the only result was that drugs became cheaper and more easily available." He added: "Any police officer who knows what he's talking about will tell you that enforcement is not the answer to drugs. It has to become socially unacceptable."

Last month, a Toronto police sergeant quoted a controversy when he appeared before a city council-sponsored crime inquiry and declared that Chinese and Vietnamese refugees were largely responsible for violent crimes against the Chinese-Canadian community. Sgt. Ben Egan said that he felt justified in revealing the statistics in violation of police commission policy, which forbids compiling or disclosing race-related crime statistics. Among Egan's claims: half of the reported 3,000 crimes of the Asian community in 1990 were committed by Vietnamese refugees who made up only 14 per cent of its population. While Egan, a former Asian crime investigator officer, received support from a few members of the police commission and the Chinese community, he drew a public rebuke from chairman Benson Ego (enclined).

For his part, Scott said that growing criminal violence threatens the civilian population and undermines the police, who believe that their job is made more difficult by racist stereotypes and racial prejudice and racial rights. "A sense of justice exists within the police community," he said. "Law is not a distant neutral ideal; it is a quality of law within which you can get frightened, where you don't have to look yourself in the mirror and you don't want to see what you're doing to your children—go by the board." Added Scott: "I am not advocating a police state. But there is frustration among the politicians on the street." Given the rapid increase in criminal violence, police apprehensions and police frustration were likely to grow in Toronto and in the streets of cities across the nation.

RAE CORRELL with MARY JANE COLLETT at Times



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Deadly shortages

Decay sabotages care in the Soviet Union

The hospital on Moscow's Leninsky Prospekt is considered one of the best public medical institutions in the Soviet capital. Housed in a turn-of-the-century building, Hospital No. 1 is deep on the outside. But inside, it is crumbling, dirty and foul-smelling. In the hospital's crowded geriatric ward, there is an overpowering odor that resembles that of rotting meat and garbage. Used bandages litter the floors, and some elderly patients lie on gurneys in the corridors.

Confines in the hospital are symptomatic of the decay that grips the entire Soviet health care system, where medicines of all kinds and sophisticated medical equipment are in short supply. Indeed, the Moscow-based investigative weekly magazine *Glasnost* has charged that the lack of disposable hypodermic needles and sterilization equipment has turned the Soviet health care system into "the most spawning ground for the AIDS virus" in the Soviet Union.

The grim conditions are the result of a combination of factors, including overpaid doctors, unbearable clinic hours, the Soviet Union's chronic distribution system and a drastic shortage of hard currency to buy foreign equipment. Health care officials admit to the problem openly: "Our domestic diagnostic equipment is of poor quality," said Gelsa Maslana, deputy head physician at the Soviet department of health. "We would like to buy equipment from the U.S. and Japan, but the computers the government lacks the hard currency to pay. Even though a relatively well-equipped clinic exists for diplomats and other foreigners who because of it at Moscow, most Westerners advise their contacts to beg medical evacuation insurance before traveling to the Soviet Union so that they can leave the country quickly for overseas."

Gelsa Maslana, head of consular affairs at the Canadian Embassy in Moscow: "People come here thinking this is like Western Europe and everything is available. It can be a shock, especially physically to come here."

As if warning the disintegration of the Soviet economy, statistics show that the average life expectancy for male Soviet citizens has

fallen to 64 years of age from 67 three decades ago. At the same time, infant mortality is on the increase: the Central Asian republic of Turkmenia consistently registers one of the world's highest infant death rates, with about 11 per cent of all babies dying before their first birthday. Soviet health officials say that up to 15 per cent of all Soviet women of childbearing age are themselves in poor health, causing large numbers of babies to be born with mental or physical disabilities.



A crowded ward at a Soviet hospital; curtaining the disintegration of the country's economy

Soviet birth control and medical practices are often crude. Thick rubber catheters known to Russians as "gubchers" are common in short supply. As a result, abortion is the most widely practiced form of birth control, with roughly seven million performed each year—about equal to the number of live births annually in the Soviet Union. According to *Glasnost*, Soviet gynecologists typically perform two or three abortions a day, and spend the rest of their time breaking down the walls of their patients' lives, describing complications following abortions. The health department's Maslana acknowledged that the treatment of patients is hampered by widespread shortages of medicines, including antibiotics and painkillers. A common explanation for the shortage of medicines is that Soviet doctors—who are paid as little as about \$14 a month—use other hospital services and drugs for cash on the Soviet Union's third black market.

From strong Westerners in the USSR,

about the Soviet health system estimated in February following the death of Martin Levinsky, a 30-year-old Dutch journalist who died while being treated for a heart defect at a Moscow hospital. Following Levinsky's death, the Moscow foreign correspondents' association circulated an editorial report stating that the hospital Levinsky died in was "a squalid place." The letter continued: "The care could hardly be described as 'intensive.' Those who visited Martin were appalled by the dirty conditions, the indifference and occasional hostility of the medical staff." Between August, 1980, and last January, the Canadian Embassy in Moscow had to deal with the deaths of four visiting Canadians, most of whom were retired people who had suffered heart attacks. On average, the embassy admits about once a week in the medical evacuation of Canadians who became ill while visiting the Soviet Union. Usually, inspectors co-ordinate their departures through their embassies, but there is a Swiss company called *Swissair*, for \$15,000, will fly patients out on a private jet directly to

the most suitable Western European medical facility. Now, Dr. Miles Brockman, a physician from Toronto, says that the U.S. firm he works for, Nashville, Tenn.-based Hospital Corp. International, will open a Western-style clinic in Moscow later this month to provide medical care for Westerners. The foreign community in Moscow, said Brockman, "is very nervous, and I don't blame them."

Among the most worrying Soviet medical statistics are those tracking the rapid increase of arm, which officials say is often passed on by drug addicts who reuse hypodermic needles. According to *Glasnost*, the number of arm cases in the Soviet Union is expected to reach 23,500 next year, and 1.5 million by the end of the century. Those statistics add a harsh light as a medical system whose own health is rapidly failing.

MARK NICHOLLS with DIANE L. LANTIERE
in Moscow



The Gaia under sail. 'Imagine what it would be like on a dark and frozen sea'

ADVENTURE

Historic visions

Norse voyagers carry a cargo of messages

Perhaps only the silhouette of the distant wooden craft, with its square sail and the arching symmetry of its tall prow and stern, would be familiar to those that it was built to honor. Modeled after Norway on the type of Viking long ship that Leif Eriksson sailed across the North Atlantic 1,000 years ago, the 70-foot-long reproduction, the *Gaia*, takes ancient navigation gear within its golden-colored hull and colors tell their latest, ancient, sagacious, or daring, the power of capricious ocean winds that once drove Leif off course—and into New World shores that he named Vinland and which named him the nickname *Leif the Lucky*. With the aid of 18th-century technology, the *Gaia's* Norwegian captain, Ragnar Thorstein, and his crew of seven modern Vikings were able to keep a clockwork timetable on their commemorative voyage. But among the welcoming crowd on Newfoundland's northern tip, as the *Gaia* glided out of the fog at 12:30 am on Monday during the last afternoon of Aug. 2, it was possible to blink out the cheering and to imagine a silent day centuries ago when the Viking voyagers steered their long ship into the same bay, found a dark unknown in Europe and built a settlement whose remains survive.

For Thorstein and the eight men and one woman in the crew, it was often easy to imagine—and welcome—Leif's voyage of discovery. The *Gaia's* voyage, named *Vinland Revisited*, was launched from the Norwegian port of Bergen on Norway's national day, May 17, and visited the Orkney, Shetland and Faeroe islands, as well as Ireland and Newfoundland. On its way to Newfoundland, the long ship ran into strong winds, heavy seas and dangerous floating ice. Those conditions have not changed in 1,000 years, said Thorstein. "In the North Atlantic, it is difficult to tell what state and what sea waves in the dark," he recounted. Even with radar, the *Gaia* was damaged by ice, causing some leaks that Thorstein arranged to have repaired after the ship sailed down the Newfoundland coast to St. John's. Said Thorstein, "Imagine what it would be like without radar on a dark and frozen sea. The Vikings had a lot of courage."

It is the courage of the Vikings and their "discovery" of the American 500 years before Christopher Columbus in 1492 that the expedition by their Nordic descendants is designed to publicize. Financed by the governments of Norway and Iceland and by Norwegian cruise ship magnate Knut Kloster, the \$4-million venture is carrying that message—and a crusade against the pollution of the environ-

ment—on St. John's, to Halifax on Aug. 25 and then to U.S. Atlantic ports on the way to Washington by Oct. 9, Leif Eriksson Day.

The crew of the *Gaia* included as sponsors' messages as a drive up to a floating dock at 12:30 am on Monday. They dropped the long ship's sail and raised a small one blue and that bore the words "Our thousand years ago, Europe and America were brought together by Vikings. Our knowledge of the world has grown faster than our sense to take care of it. Now we must see the right course ahead and open up a new era."

Three films received applause from Icelandic President Vigdís Finnbogadóttir who, along with Newfoundland Premier Clyde Wells and Iceland Environment Minister Jean Charest, was among the crowd of about 1,800 dignitaries, local citizens, tourists and Canadian and foreign journalists who greeted the *Gaia*. At a banquet at St. John's on the eve of the ship's arrival, she recalled that Prime Minister Brian Mulroney had proposed during a visit to Iceland last month that northern countries should form a council to safeguard the fragile environment of the Arctic. She expressed the hope that Mulroney will take the lead in helping to make the northern nations "an environmental model" for the world. "Selling stories about the Arctic is a good idea and a challenge," she said. "We are not alone today and every day we are on board heading into the unknown," she said. "But the events of 1,000 years ago and the earth of today are two vastly different places."

The *Gaia* expedition is another message—that the Vikings were the first Europeans to reach the New World, the archeological finds at L'Anse-au-Loup in Newfoundland support that claim—made an impact on some tourists in the welcoming crowd. Barbara Hoyt, for one, an elementary-school teacher from Millis, Mass., said that she and a companion, first learned of the *Gaia* voyage on arrival in Newfoundland for a vacation and drove their camper the length of the coastline to watch the arrival and to see the remains of 1,000-year-old dwellings, a flag and Viking artifacts unearthed in the 1960s by Norwegian explorer Hilde Ingstad and her archeologist wife, Anne Stene Ingstad. Said Hoyt, "A good deal of this came on a very pleasant surprise. I thought we were in debt on our history. Obviously, Americans have a lot to learn."

For Hilde Ingstad, 58, who is co-ordinated by the L'Anse-au-Loup site, she said, "Vinland, the view of a Viking long ship and many magnificent out of the fog was thrilling, but not, but it came as no surprise. 'It was just as I had imagined.'"

R. KATE FLEISCH in Capeau Meadows

Doctored lives

Two cynical surgeons have a change of heart

Hollywood has discovered the New Man. This surgeon, albeit cynical, is an abundance of virtues: short, cynical, sensitive, intelligent, and who are transformed by personal identity into caring, sensitive men. Director Mike Nichols set the tone with *Regarding Henry*, a tale about a sexy lawyer who becomes a sex addict after getting shot in the head. Now Hollywood has taken another man, another cocky, self-

den-witted surgeon (Woody Harris) and best of all, someone who lives from the mayor's laughter (Bridget Fonda).

The story sets up an extremely complex chain between bygone bad and small-town love, between Hollywood evil and hometown virtue. And it echoes Fox's own evolution after moving actress Tracy Follis in 1988, the actor said his own Follis and abandoned the hectic environment of Los Angeles to move a

premise was inspired by *A Taste of My Own Medicine*, a 1988 book by Oregon physician Rod Rosenbaum that traces how his experience as a cancer patient turned his professional perspective upside down. This script, by Australian screenwriter Robert Caswell (*A City by the Lake*), offers a sharp critique of the medical hierarchy, but it is heavily doped with sentiment.

Jack Hartigan is a high-profile heart surgeon in San Francisco hospital. He fronts his profession like a sport. In the operating room, he fronts the masses and listens to rock music as he cuts. One day, Jack discovers that he has a cancer on his liver. Despite his status as a hospital, he is treated like anyone else. He is referred to private rooms, he is confused by delays, and he is shocked by the clinical detachment of the female specialist assigned to his case.

Director Randa Haines, who directed Hart in *Children of a Lesser God* (1986), a sensitive drama about the hearing-impaired, skillfully constructs a potent love story out of hospital care.

The Doctor: The doctor's self-glossing exercises at choice and precision—as an art-directed man of a hospital as a sterile machine. Decided from desire to his patient, Jack descends from his post to the operating room penthouse to wait in the best seat of the hospital (the radiology department).

There, he meets an attractive young cancer patient named Jane (Elizabeth Perkins), who has lost her hair to chemotherapy—and healthy cynicism and an immediate physical bond, she looks as deliciously real as Susan (T-Cannon) Jane serves as Jack's platonic soul mate and teacher's love of compassion. Meanwhile, his terms through marriage to New—so understated role partly played by Christine Lahti—shows stress.

In the Doctor, getting cancer turns out to be not as bad as he'd feared. Once the hospital's resident cynic, Jack becomes a crusader for patients' rights. He discovers himself, conquers a mid-life crisis, spends time with a younger woman and keeps his marriage together. Unfortunately, Hart brings such a self-confident, open personality to the role that he seems unwittingly of such a hard job.

There is something wrong with Jack's life: he delivers a finely nuanced performance. But Hart seems to be made himself that he might as well be another patient. Then again, that's what Hollywood requires of the New Man: a built-in hero, a best-of-both-worlds, a subtle character—and thus a better round of self-renewing therapy.

BRAND D. JOHNSON



Fox: a male-like careerist learns to love the little people

In *Doctored*, meanwhile, Fox is in charming as ever. He draws on another variation of the subtle cynicism that infused his character on *My Family Guy*. But the more is a love and thoughtfully predictable love for his wife, a doctor who leaves his hospital job in Washington to pursue out a lucrative career in plastic surgery as a guest professor at Beverly Hills. On his way to the West Coast, he drives his Porsche to the road and smashes through a water-filled ditch in Grady, S.C., a village head that calls itself the "quartz capital of the South" (the vegetable, not the sport).

While a local newspaper columnist like Perkins, the local judge sentences him to pay for the tractor by helping out in the town clinic, in private, he's a doctor who leaves his hospital job in Washington to pursue out a lucrative career in plastic surgery as a guest professor at Beverly Hills. On his way to the West Coast, he drives his Porsche to the road and smashes through a water-filled ditch in Grady, S.C., a village head that calls itself the "quartz capital of the South" (the vegetable, not the sport).

For British director Michael Catron-Jones, meanwhile, *Doctored* marks a modest voyage into the American myth. Jones made a provocative feature debut with *Swindle* (1989), the story of Britain's 1983 Pinochet scandal. But with his first American film he has taken a detour into clinical. Although *Doctored* takes place in a world of greed and excess, it would be hard to find a more contrived product of Hollywood formula than the movie itself.

By contrast, *The Doctor* is a sleek and serious piece of work. The drama's outrageous

time with a younger woman and keeps his marriage together. Unfortunately, Hart brings such a self-confident, open personality to the role that he seems unwittingly of such a hard job.

There is something wrong with Jack's life: he delivers a finely nuanced performance. But Hart seems to be made himself that he might as well be another patient. Then again, that's what Hollywood requires of the New Man: a built-in hero, a best-of-both-worlds, a subtle character—and thus a better round of self-renewing therapy.



DeLillo: the author depicts the contemporary world as an engine out of control

BOOKS

Reign of terrorism

Foreboding pervades Don DeLillo's new novel

MAD E

By Don DeLillo
(Fiction, 241 pages \$20.95)

During the past 20 years, American author Don DeLillo has received critical praise for his eloquent, postmodernist style. His novels are a mixture of the surreal and the realistic, and he has been called the most important writer of the last 20 years.

For his eighth novel, *White Noise*, and made the best-seller list in 1988 with *Underworld*, his first, a fictionalized account of the life of a woman who is a victim of a nuclear disaster. DeLillo's previous novel, *Underworld*, was a collection of short stories. *White Noise* is a novel about a man who is a victim of a nuclear disaster. DeLillo's previous novel, *Underworld*, was a collection of short stories. *White Noise* is a novel about a man who is a victim of a nuclear disaster.

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DENNIS KUCHERAVY

Macleans

BEST-SELLER LIST

FICITION

- 1 *The Kitchen God's Wife*, Tan (1)
- 2 *Memories*, DeLillo (2)
- 3 *At the End of the World*, Amos (3)
- 4 *Unsettling*, DeLillo (4)
- 5 *Best Lines*, DeLillo (5)
- 6 *Raymond Chandler*, Smith (16)
- 7 *Memories*, DeLillo (17)
- 8 *A Soldier of the Great War*, DeLillo (18)
- 9 *Memories*, DeLillo (19)
- 10 *1001 Nights*, DeLillo (20)

NONFICTION

- 1 *Memories*, DeLillo (1)
- 2 *The Kitchen God's Wife*, Tan (2)
- 3 *At the End of the World*, Amos (3)
- 4 *Unsettling*, DeLillo (4)
- 5 *Best Lines*, DeLillo (5)
- 6 *Raymond Chandler*, Smith (16)
- 7 *Memories*, DeLillo (17)
- 8 *A Soldier of the Great War*, DeLillo (18)
- 9 *Memories*, DeLillo (19)
- 10 *1001 Nights*, DeLillo (20)

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Compiled by Bruce Berkman



At least Presto! has an excuse

BY ALLAN FOTHERINGHAM

Okay. We can take most anything but that. We can take, at most, an occasional 16-page lecture on our failures from *The Economist*, the British magazine, as always, its scolding first-class chaps who can't find our way to the back-sheep. We can survive the misbegotten *Brookings* notes who tramp on the Quebec flag, for whatever reason. We can persevere through the major solutions of *Presto! Missing*, who thinks the way to solving the Quebec problem is to pretend Quebec doesn't exist.

But in due time: What we do grow weary is when the post-bellum academics emerge from the faculty common room with supposed serious reasons for an artificial point of view that Canada would be better off without Quebec. *Brookings* we can slide. Lost heads and guesswork we have to get up with. But when chaps with letters after their names peddle the worst malice under the guise of serious thought—gag as with a spoon. A no rational space.

We are subjected to two misbegotten such works of the spotlight, David J. Bayes and Barry Cooper, professors at the University of Calgary, academics of the province famous for its tolerance and open ears to dissenting views.

They have just published a very hefty tome, all of 176 pages, called *Quebec/Independence: Canada's Problem? Quebec: Separation as an Option*, heralding in its simplicity of dully says that "the Canadian experiment" has failed, so let's just quit those other guys and get on with life. There is a school-yard certainty to their argument that a familiar sort of beer-patch logo dressed up as academic robes.

Cooper has a charming chip at the end of a beer bottle. He is a fourth-generation Algonquin and terribly serious about his beliefs. Churchill defined a fanatic as "someone who can't change his mind and won't change the topic."

That would be Prof. Cooper.

He first delivered minor tone, among those who believe such things, for attempting to prove—even using some statistics—that the CAC was populated nearly by words lefties and brain-washed academics. He was, in a way, a



precursor of John Cioffe, now a member of the CAC board of directors, the senior *Brookings* who told a Commons committee that the CAC might as well be moved to Baghdad, so precarious it was of the George Bush lie-cinema War.

Because we do not know personally, reading only the advertisement that he was born and raised in anglophone Montreal, cheered René Lévesque, worked to elect Pierre Trudon in 1968. But eventually twisted round and saw the light. You know what they say about converted deniers, or smokers, or bosoms with a heart of gold? That is when certainty settles in.

Among the arguments of the recent authors, in asserting that "separation from Quebec will have a number of positive effects," is the definite pronouncement that it would create a "substantial reduction in unemployment insurance payments—Quebec received \$579 million more than it contributed to it."

Cooper is a professor of political science; Bayes is a professor of history. They have suddenly become economists? Does the faculty club know about that? Has anyone told the economists at the University of Calgary staff? The old paraphrase of André Tardieu is that Alberta is the only province that that looked from poverty to abundance without passing through capitalism. Cooper and Bayes, with their depressing cast, remind us that their province, their spiritual leader—the Lyndon Johnson and of Gerald Ford—may have played too many football games with his helmet.

The most-quoted line in Canadian journalism came from Ottawa columnist Marjorie Nichols, the toughest journalist in Canada, that she was tired of all the whines about the cut-loose-and-kill Vendor Zeln, in that he played an important part in nation-building: when it got to March 19th, he exploded the difficult parts to Don Getty.

The key professors are into the same sort of League reasoning. One of the advantages of Quebec separatism, they contend, would be the end of the official bilingualism policy "with huge savings to the Canadian taxpayer."

That is what is known as Canadianism. Thank We expect that down in the pool hall, where they have trophies rather than positions, but do not expect academics who publish books actually spend their time working out such thoughts?

Nowhere in their argument—reducing Quebec to a plain or minor in the dollar count—do these newly minted economists acknowledge that Quebec contributes anything at all to Canada. If it didn't provide any income tax revenues, any manufacturing

impetus, any leadership in international relations—and by the way the province that is a quarter of the population now provides 44 per cent of all business students in this fancy country called Canada.

Presto!, with his close-eyed fundamentalist belief that he has seen the truth, like the Burning Bush, can be forgiven because he is a polemic before claiming that he is not trying to get roused just like the rest of them. He'd up trappers and traps. Grass-burners, even the confederate crosses, like to take out their frustrations by saying that perhaps we could get along without Quebec and to hell with those garbage eaters.

But why educated men, who supposedly went through classes in logic on the way to their graduate degrees actually propagate the pay that the country would be better off without Quebec, are seriously hard to wonder. We feel sorry not just for Canada but for academics.



In their recently published "Action Towards Healthy Eating," Health and Welfare Canada state, "Total and saturated fat levels in the Canadian diet need to be significantly reduced." They also advocate, "the development of food with reduced fat levels or with unsaturated fats as substitutes."

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